Comprehensive Annual Financial Report

For the Years Ended August 31, 2015 and 2014

Alamo Community College District

San Antonio, Texas

ALAMO COLLEGES

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, 2015 and 2014

Prepared by:

Finance and Fiscal Services Department

ALAMO COMMUNITY COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

INTRODUCTORY SECTION

Transmittal Letter 1

Organizational Data 5

Mission, Vision and Values 7

Certificate of Achievement for Excellence in Financial Reporting - August 31, 2014 8

FINANCIAL SECTION

Report of Independent Certified Public Accountants 11

Management's Discussion and Analysis (Unaudited) 15

Basic Financial Statements

Exhibit 1—Statements of Net Position 29

Exhibit 1A—Statements of Financial Position (Alamo Colleges Foundation, Inc.) 30

Exhibit 1B—Statements of Net Position (ACCD Public Facility Corporation) 31

Exhibit 2—Statements of Revenues, Expenses, and Changes in Net Position 32

Exhibit 2A—Statements of Activities (Alamo Colleges Foundation, Inc.) 33

Exhibit 2B—Statements of Revenues, Expenses, and Changes in Net Position (ACCD Public Facility Corporation) 34

Exhibit 3—Statements of Cash Flows 35

Notes to Financial Statements 37

Required Supplementary Information

Schedule of District's Proportionate Share of Net Pension Liability 75

Schedule of District Contributions 76

Supplementary Information

Schedule A—Schedule of Operating Revenues 79

Schedule B—Schedule of Operating Expenses by Object 80

Schedule C—Schedule of Non-Operating Revenues and Expenses 81

Schedule D—Schedule of Net Position by Source and Availability 82

Schedule E—Schedule of Expenditures of Federal Awards 83

Notes to Schedule of Expenditures of Federal Awards 86

Schedule F—Schedule of Expenditures of State Awards 88

Notes to Schedule of Expenditures of State Awards 89

ALAMO COMMUNITY COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

OTHER INFORMATION—BY LOCATION (Unaudited)

Schedule of Operating Revenues by Location 93

Schedule of Operating Expenses by Location 94

Schedule of Non-Operating Revenues and Expenses by Location 95

Schedule of Capital Assets by Asset Types 96

Schedule of Capital Assets by Location 97

STATISTICAL SECTION (Unaudited)

Statistical Section Introduction 101

Statistical Supplement 1—Net Position by Component 103

Statistical Supplement 2—Revenues by Source 104

Statistical Supplement 3—Program Expenses by Function 105

Statistical Supplement 4—Tuition and Fees 106

Statistical Supplement 5—Assessed Value and Taxable Assessed Value of Property 107

Statistical Supplement 6—State Appropriations per FTSE and Contact Hours 108

Statistical Supplement 7—Principal Taxpayers 109

Statistical Supplement 8—Property Tax Levies and Collections 110

Statistical Supplement 9—Ratios of Outstanding Debt 111

Statistical Supplement 10—Legal Debt Margin Information 112

Statistical Supplement 11—Pledged Revenue Coverage 113

Statistical Supplement 12—Demographics and Economic Statistics—Taxing District 114

Statistical Supplement 13—Principal Employers 115

Statistical Supplement 14—Faculty, Staff and Administrators Statistics 116

Statistical Supplement 15—Enrollment Details 117

Statistical Supplement 16—Student Profile 118

Statistical Supplement 17—Transfer Students to Senior Institutions 119

Statistical Supplement 18—Capital Asset Information 120

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 *Government Auditing Standards* 123

Report of Independent Certified Public Accountants on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 125

Schedule of Findings and Questioned Costs 128

Summary Schedule of Prior Year Audit Findings - Federal 131

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 Single Audit Circular 133

Schedule of State of Texas Findings and Questioned Costs 135

ALAMO
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Introductory Section

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December 15, 2015

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

We are proud to submit the following comprehensive annual financial report (CAFR) for the Alamo Community College District (Alamo Colleges or District) for the fiscal year ended August 31, 2015. The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by reporting requirements of the Government Finance Officers Association (GFOA). The report complies with the requirements of *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* as set forth by the Texas Higher Education Coordinating Board (THECB).

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In 2015, the Board of Trustees of Alamo Colleges 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 OMB Circular A-133 and the State Single Audit related to the Uniform Grant Management Standards Single Audit Circular. The auditor's report related specifically to the single audit is included in the Single Audit Section.

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

Profile

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

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

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

Students are taught by highly qualified faculty with Master's and Doctorate degrees committed to creating a learning-centered environment. Student services include 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 is the among the largest community college systems in Texas, includes two 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 and China to San Antonio for advanced education, while affording local students and faculty the opportunity to travel to all regions of the world.

Economic Conditions and Outlook

Alamo Colleges operates in the strong economic area of San Antonio, Bexar County and surrounding counties. In June 2015, San Antonio was recognized by *Forbes* magazine as the tenth Best City for Jobs, fifteenth in job growth rank, and the fiftieth Best Place for Business and Careers in the U.S. 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 and data security. The Alamo Colleges have been an integral part of the Greater San Antonio community for more than 100 years, contributing significantly to the economic and social well-being of those who share this community with Alamo Colleges. It is highly regarded by the local business community for the quality of its workforce training and the success of its graduates. In the economic arena, a sizable 96% of its students stay in the region after they leave college and contribute positively to the local economy.

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

- Revenues from ad valorem taxes increased by 6.4% in 2015 as net assessed property values of the District increased from approximately $106.9 billion in 2014 to $114.7 billion in 2015. A pattern of predictable and increasing property values over the five most recent fiscal years relieves pressure to increase the tax rate for the District's constituents. San Antonio continues to see incredible growth in the area, as average and median prices for homes increased between August 2014 and 2015 by 7% and 8%, respectively, according to the *San Antonio Board of Realtors*. There was no increase in the District's tax rate for fiscal year 2015.

- State appropriations are critical to keeping student tuition rates low and increased $0.5 million in 2015. However, the state has decreased appropriations by approximately $12.6 million or 14.0% since fiscal year 2010, as well as shifting 50% of the employee health and retirement benefit cost ($14.6 million) to the District. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement and student success outcomes. For fiscal years 2014 and 2015, the State only provided 30% of the formula funding, down from 75% in 2008/2009.

- In October 2015, the Board of Trustees approved an across-the-board tuition increase of 5% effective with the Spring 2016 semester term. The last increase in tuition and fees was in Fall 2012, 3.5 years ago. This increase was needed to offset the decline in state appropriation and to provide recurring funding for the case management advising model. This model is expected to increase student persistence and accelerate the completion of credentials using intrusive and intentional interventions and tools that will guide students on their chosen academic and career pathway.

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

Strategic and Long-Term Financial Planning

The Board approves a strategic plan in multi-year cycles, with the most recent plan approved in August 2012. The plan is reviewed and re-affirmed annually and involves all levels of the organization. Key performance indicators based on state and national peer institutions and annual performance targets are defined. An integrated planning model is used to strengthen the connection between the strategic plan, related action plans and the budget, which is approved annually by the Board of Trustees.

The budget is developed with broad-based staff involvement and is guided by budgetary, debt and financial policies approved by the Board. The budget includes a multi-year financial plan, which incorporates proposed increases for capital budgets, preventive maintenance and student success initiatives. A separate ten-year plan for Alamo Colleges projects an average of 3.4% year over year enrollment growth, while maintaining service levels and faculty staffing to provide excellent education for our students. The plan incorporates modest increases in tuition and fees, continued expectation of declining state appropriations and increases in property values.

Major Initiatives

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

The Alamo Colleges continues to make significant progress on achieving greater student success, with a record 9,700 degrees and certificates awarded to students in fiscal year 2015, eclipsing the previous record of 7,150 awarded in fiscal year 2014. This represents a 106% increase since fiscal year 2009. This improvement is directly related to two major initiatives implemented by the District. *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. 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 continues to be recognized both locally and nationally as a leader in higher education. The Alamo Academies were the winners of the national 2015 Bellwether Award in the workforce development category, which recognizes programs that create public and/or private strategic alliances and partnerships that promote community and economic development. The Alamo Academies is an internationally recognized partnership between higher education and industry that provides at-risk youth with tuition-free career pathways into critical demand technical science, technical engineering, and math (STEM) occupations. The program utilizes industry-driven curricula resulting in 95% of graduates

entering higher education or high-wage careers in aerospace, manufacturing, information technology, healthcare and heavy equipment. The Bellwether Awards annually recognize outstanding and innovative programs and practices that are successfully leading community colleges into the future.

The Alamo Colleges was one of six higher education institutions in Texas selected to receive the 2015 Higher Education Excellence in Diversity (HEED) Award from *INSIGHT Into Diversity Magazine,* the oldest and largest diversity-focused publication in higher education. As a recipient of the annual HEED Award, a national honor recognizing U.S. colleges and universities that demonstrate an outstanding commitment to diversity and inclusion, Alamo Colleges will be featured in the November 2015 issue of *INSIGHT Into Diversity*, along with other award recipients.

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

Alamo Colleges has also earned numerous awards in the areas of human resources, procurement, budgeting and finance. Alamo Colleges' HR Compensation Team received the *College and University Professional Association for Human Resources* 2015 Innovation Award for its student engagement initiative. For the fourth and fifth consecutive years, respectively, the Alamo Colleges 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). The Alamo Colleges was also one of only two community colleges in Texas awarded the Certificate of Distinction by the *Government Treasurers' Organization of Texas* (GTOT) for its investment policy. For its efforts in promoting financial transparency, the Alamo Colleges earned the Texas Comptroller Leadership Circle 2015 Platinum Award from the *Texas Comptroller of Public Accounts.* The award spotlights local governments that are opening their books to the public; providing clear, consistent pictures of spending; and sharing information in a user-friendly format. Alamo Colleges was one of only two large community college districts in Texas that received the Platinum Award by scoring 23 of 23 possible points on the rating criteria.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Alamo Colleges for its comprehensive annual financial report for the fiscal year ended August 31, 2014. This was the sixth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year 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 Alamo Colleges in a highly responsible manner. The timely preparation of this financial report was made possible by the continued dedication and service of the staff of Alamo Colleges.

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA
August 31, 2015

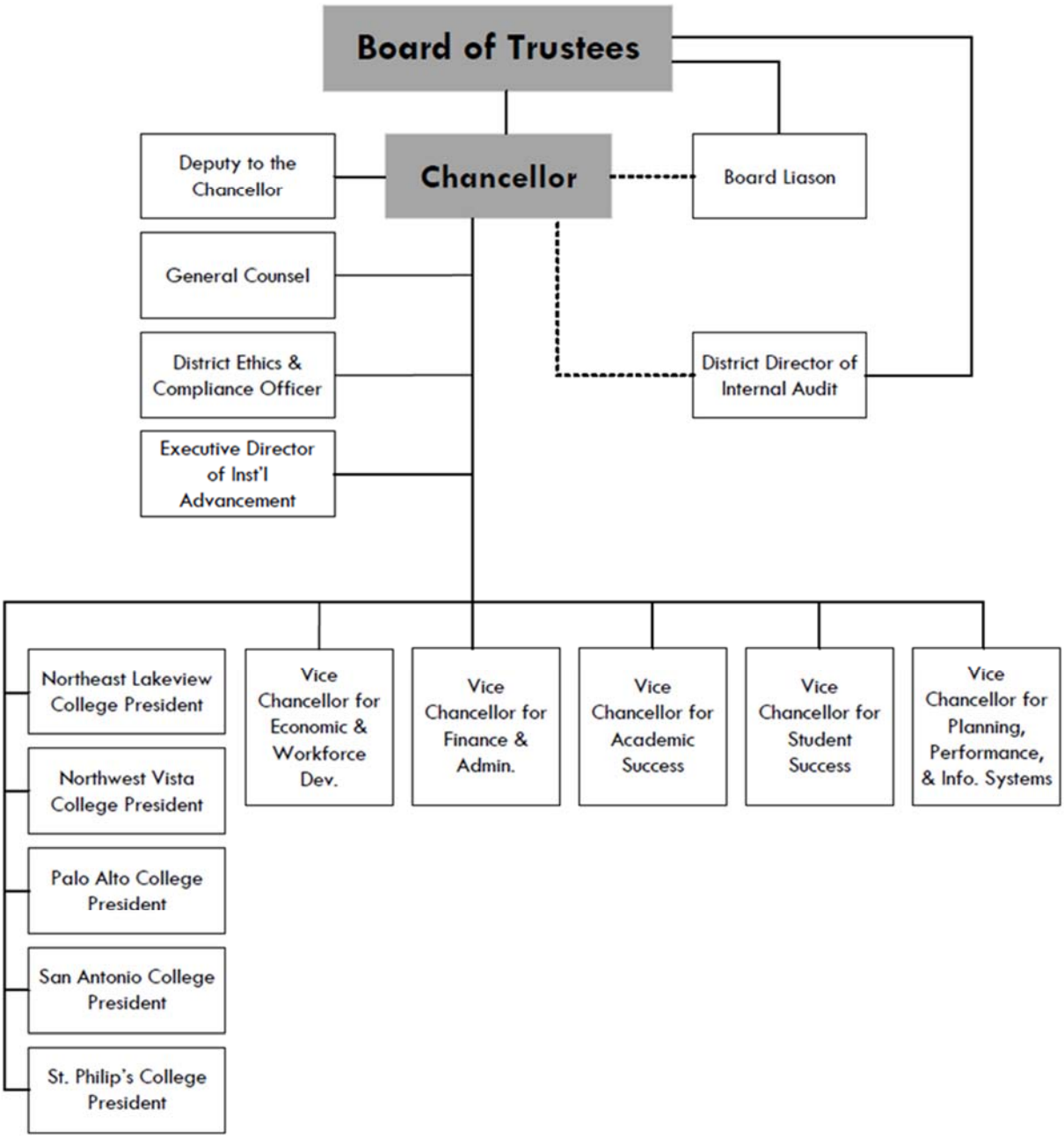
ELECTED OFFICIALS

Member	Position	City, State	Term Expires
Anna U. Bustamante	Chairperson	San Antonio, Texas	2016
Dr. Yvonne Katz	Vice-Chairperson	San Antonio, Texas	2018
Joe Alderete, Jr.	Secretary	San Antonio, Texas	2016
Clint Kingsbery	Assistant Secretary	San Antonio, Texas	2020
Marcelo Casillas	Member of the Board	San Antonio, Texas	2016
Denver McClendon	Member of the Board	San Antonio, Texas	2016
James A. Rindfuss	Member of the Board	Universal City, Texas	2020
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2018
Roberto Zárate	Member of the Board	San Antonio, Texas	2018

ADMINISTRATIVE OFFICIALS

Dr. Bruce H. Leslie	Chancellor
Diane E. Snyder, CPA, M.S.	Vice Chancellor for Finance and Administration
Dr. Federico Zaragoza	Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Info. Systems
Dr. Jo Carol Fabianke	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Jim Eskin	Executive Director of Institutional Advancement
Dr. Craig T. Follins	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
Matthew Mills, CPA	District Director of Internal Audit

ALAMO COMMUNITY COLLEGE DISTRICT



ALAMO COMMUNITY COLLEGE DISTRICT

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

MISSION

Empowering our diverse communities for success.

VISION

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

VALUES

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

STUDENTS FIRST

RESPECT FOR ALL

COMMUNITY-ENGAGED

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, 2014

Executive Director/CEO

Financial Section

ALAMO
COLLEGES

Grant Thornton

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Management and Board of Trustees
Alamo Community College District

Report on the financial statements

We have audited the accompanying financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College (collectively the District), as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the Financial Section of the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in 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 audit. 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 and revenues of the aggregate discretely presented component units of the District as of and for the year ended for the year ended August 31, 2015. Those 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 that component unit, are based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 audit and the report 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, 2015, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a matter

As discussed in Note 2 to the financial statements, the District adopted new accounting guidance in 2015 related to the accounting for pensions. Our opinion is not modified with respect to this matter.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 – 27, and Required Supplementary Information on pages 75 through 76, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was 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, 2015, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Schedule of Expenditures of State Awards for the year ended August 31, 2015, as required by the State of Texas Single Audit Circular, the Schedule of Operating Revenues for the year ended August 31, 2015, the Schedule of Operating Expenses by Object for the year ended August 31, 2015, the Schedule of Non-Operating Revenues and Expenses for the year ended August 31, 2015, the Schedule of Net Position by Source and Availability for the year ended August 31, 2015, 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 audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 15, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Grant Thornton LLP

San Antonio, Texas
December 15, 2015

ALAMO
COLLEGES

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 or ACCD) for the fiscal year ended August 31, 2015. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

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

In fiscal year 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB 71). These implementations affected various balances reported on the basic financial statements including non-current liabilities, deferred outflows and inflows of resources, net position, and pension expense, among others. As such, balances in the aforementioned categories may not be comparable between fiscal year 2014 and fiscal year 2015. In the following MD&A, management will make reference to the implementation of GASB 68 and GASB 71 when discussing balances rendered incomparable due to the implementation of GASB 68 and GASB 71.

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, liabilities and net position as of August 31, 2015; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the fiscal year. Highlighted information from each basic financial statement is presented below.

- Total assets decreased $28.2 million and total liabilities increased $11.7 million. When disregarding the effect of the implementation of GASB 68 to noncurrent liabilities of approximately $48.5 million, total liabilities decreased by $36.8 million.

- The District's net position at August 31, 2015 was $239.1 million reflecting a $46.4 million decrease from prior year. The $46.4 million decrease includes a $54.9 million reduction to fiscal year 2015 beginning net position for the cumulative effect of applying GASB Statement No. 68, as further described in Note 2 of these financial statements. Excluding the effect of the change in accounting principle, the District's net position increased by $8.5 million from the prior year.

- The District's operating loss was $303.1 million.

- Cash and Cash Equivalents decreased $6.5 million during the year ended August 31, 2015.

- The bond rating for the District's general obligation bonds is Aaa by Moody's Investors Service, the highest rating possible, and is AA+ by Standard & Poor's.

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 Community College District.

In fiscal year 2012, Alamo Colleges formed the ACCD Public Facility Corporation (the PFC) for the sole purpose of assisting Alamo Colleges in financing or in acquisition of public facilities. The PFC was incorporated on September 23,

2011 as a public non-profit corporation under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended. 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 emphasis of this MD&A is on the District itself. Reference should be made to the separately issued financial statements of the component units for additional information.

Statements of Net Position

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

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, capital assets, investments and other assets not classified as current. Noncurrent liabilities include bonds and tax notes payable and other long-term commitments. For the year ended August 31, 2015, due to the implementation of GASB 68, non-current liabilities also include the District's net pension liability. 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 debt refundings and deferred outflows related to pensions. Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period. In fiscal year 2015, the District reported a deferred inflow of resources related to pensions for its proportionate share of the difference between projected and actual investment earnings of 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 decreased 3.0% or $28.2 million during fiscal year 2015. The decrease is primarily due to a $21.3 million decrease to net capital assets due to depreciation and a liquidation of current liabilities of approximately $5.6 million. In fiscal year 2014, total assets decreased $26.9 million or 2.8% due to a $24.5 million liquidation of total liabilities and a $2.5 million decrease in overall net position due to excess expenses over revenues.

The liability section of the District's Statements of Net Position was significantly impacted by the implementation of GASB 68 as explained previously. Total liabilities increased 1.8% or $11.7 million between fiscal years 2014 and 2015 when including the effect of implementing GASB 68. Excluding the effect of implementing GASB 68, which required the recording of a $48.5 million net pension liability in noncurrent liabilities, total liabilities decreased 5.6% or $36.8 million during fiscal year 2015. Between fiscal years 2013 and 2014, total liabilities decreased 3.6% or $24.5 million. Noncurrent liabilities consist primarily of bonds payable and for fiscal year 2015, also include a net pension liability as required by GASB 68. Noncurrent liabilities increased $17.3 million or 3.0% in 2015. Excluding the effect of implementing GASB 68, which required the recording of a noncurrent net pension liability of $48.5 million, noncurrent liabilities decreased $31.2 million or 5.3%. This decrease is primarily attributable to debt service payments on bonds and maintenance tax notes and a cash defeasance of $4.9 million on Series 2007 Maintenance Tax Notes.

In 2014, noncurrent liabilities decreased $26.0 million primarily due to debt service payments and issuance of $40.7 million of maintenance tax refunding bonds from which proceeds of $46.9 million, along with approximately $2 million in cash funded by the District, were used to defease a principal amount of $48.5 million. The decrease in noncurrent liabilities was partially offset by an increase to notes payable of approximately $4.4 million. Current liabilities decreased $5.6 million or 7.1% in 2015 and increased $1.5 million or 1.9% in 2014. The decrease in 2015 is primarily attributable to the liquidation of accounts payable and reduction of accrued liabilities, partially offset by an increase in the current portion of long-term liabilities. The $1.5 million increase during 2014 is primarily related to an

increase in the current portion of long term liabilities partially offset by a decrease in deferred tuition and fee revenues.

Deferred outflows of resources and deferred inflows of resources increased by $8.3 million and $14.8 million, respectively, in fiscal year 2015 primarily due to the implementation of GASB 68 as amended by GASB 71, as discussed previously. In 2014, deferred outflows decreased by $0.2 million due to a decrease in deferred charges on refundings of debt.

The District's net position at August 31, 2015 was $239.1 million compared to $285.5 million at August 31, 2014. This decrease of $46.4 million is primarily attributable to the restatement to beginning net position in 2015 of $54.9 million as required by the implementation of GASB 68 as amended by GASB 71. Ignoring the effect of the aforementioned restatement to beginning net position, the District's net position increased by $8.5 million resulting from excess revenues over expenses related to increases of $5.6 million and $8.2 million in the expendable and net investment in capital asset components of net position. Between fiscal years 2013 and 2014, the District's net position decreased by $2.5 million resulting from excess expenses over revenues primarily related to a $12.8 million net decrease in the expendable and unrestricted components of net position partially offset by a $10.3 million increase in net position related to net investment in capital assets.

Condensed Schedule of Net Position
(in millions)

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Assets					
Cash and cash equivalents	$ 38.7	$ 45.2	$ 58.2	$ (6.5)	$ (13.0)
Accounts and notes receivable, net	9.2	10.2	21.5	(1.0)	(11.3)
Investments	109.9	109.5	114.0	0.4	(4.5)
Other	4.4	4.4	3.1	-	1.3
Capital assets	1,066.2	1,058.1	1,026.4	8.1	31.7
Accumulated depreciation	(317.6)	(288.2)	(257.1)	(29.4)	(31.1)
Total assets	911.0	939.2	966.1	(28.2)	(26.9)
Deferred Outflows of Resources					
Deferred charges on debt refundings	7.2	7.6	7.8	(0.4)	(0.2)
Deferred outflows related to pensions	8.7	-	-	8.7	-
Total deferred outflows of resources	15.9	7.6	7.8	8.3	(0.2)
Liabilities					
Current liabilities	73.8	79.4	77.9	(5.6)	1.5
Noncurrent liabilities	599.2	581.9	607.9	17.3	(26.0)
Total liabilities	673.0	661.3	685.8	11.7	(24.5)
Deferred Inflows of Resources					
Deferred inflows related to pensions	14.8	-	-	14.8	-
Total deferred inflows of resources	14.8	-	-	14.8	-
Net Position					
Net investment in capital assets	188.8	180.6	170.3	8.2	10.3
Restricted (expendable)	24.2	18.7	16.3	5.5	2.4
Unrestricted	26.0	86.2	101.4	(60.2)	(15.2)
Total net position	$ 239.1	$ 285.5	$ 288.0	$ (46.4)	$ (2.5)

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.

A summarized comparison of the District's revenues, expenses and changes in net position for the years ended August 31, 2015, 2014 and 2013 is presented below in table and chart form. As discussed previously, a restatement to beginning net position in fiscal year 2015 was required by the implementation of GASB 68, as amended by GASB 71.

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

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Operating revenues and expenses:					
Operating revenues (see detail below)	$ 84.0	$ 85.6	$ 95.9	$ (1.6)	$ (10.3)
Operating expenses (see detail below)	387.0	383.7	371.7	3.3	12.0
Operating loss	(303.1)	(298.1)	(275.8)	(5.0)	(22.3)
Non-operating revenues (expenses):					
State appropriations	77.5	77.0	76.0	0.5	1.0
Ad valorem taxes	167.8	157.7	149.0	10.1	8.7
Federal and State grants, non-operating	89.8	88.7	91.1	1.1	(2.4)
Investment income	0.8	1.0	0.2	(0.2)	0.8
Interest on capital related debt	(23.4)	(25.1)	(26.5)	1.7	1.4
Other non-operating expenses	(0.9)	(3.7)	(4.6)	2.8	0.9
Total non-operating revenues, net	311.6	295.6	285.2	16.0	10.4
Increase (decrease) in net position	8.5	(2.5)	9.4	11.0	(11.9)
Net position - beginning of year	285.5	288.0	278.6	(2.5)	9.4
Effect of change in accounting principle (Note 2)	(54.9)	N/A [1]	N/A [1]	(54.9)	N/A [1]
Net position - beginning of year, as restated	230.6	N/A [1]	N/A [1]	N/A [1]	N/A [1]
Net position - end of year	$ 239.1	$ 285.5	$ 288.0	$ (46.4)	$ (2.5)

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

[1]The restatement to beginning net position in fiscal year 2015 is not applicable to fiscal years 2014 and 2013.

Operating Revenues
(in millions)

	2015		2014		2013		Change	
							2014 to 2015	2013 to 2014
	Amount	% of Total	Amount	% of Total	Amount	% of Total		
Net tuition and fees	$ 58.2	69.4%	$ 58.8	68.7%	$ 64.1	66.8%	$ (0.6)	$ (5.3)
Grants and contracts	17.4	20.7%	18.9	22.1%	24.7	25.8%	(1.5)	(5.8)
Auxiliary enterprises	4.9	5.8%	5.1	6.0%	4.1	4.3%	(0.2)	1.0
Other operating revenues	3.4	4.1%	2.8	3.3%	3.0	3.1%	0.6	(0.2)
Total operating revenues	$ 84.0	100.0%	$ 85.6	100.0%	$ 95.9	100.0%	$ (1.6)	$ (10.3)

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

As shown in the operating revenues table above, total operating revenues decreased $1.6 million and $10.3 million in fiscal years 2015 and 2014, respectively. The 1.9% decrease in fiscal year 2015 is primarily related to reductions in federal grants and contracts revenue and net tuition and fees, offset by increase in other operating revenues which included various one-time receipts. The decrease in fiscal year 2014 is primarily related to reductions in net tuition and fees and grants and contracts revenue. Net tuition and fees decreased $5.3 million in 2014 due to a $3 million increase in discounts and a slight decrease in credit hours. Grants and contracts revenue decreased $5.8 million primarily as a result of reduced spending in the Higher Education Institutional Aid grant as well as the federal sequestration that went into effect March 1, 2013, for the 2013-2014 award year.

Net non-operating revenues increased by $16.0 million or 5.4% in 2015 and by $10.4 million or 3.6% in 2014. The $16.0 million increase in 2015 is primarily attributable to a $10.1 million or 6.4% increase in ad valorem tax collections along with an increase of $2.7 million in non-operating state grant revenue. Ad valorem taxes increased due to a taxable valuation increase of 7%, and the Board of Trustees approved the same property tax rate as levied in 2014. State funding increase is attributed to TEOG increases for student aid. The $10.4 million increase in non-operating revenues for fiscal year 2014 is primarily related to an increase in ad valorem tax collections and state appropriations of $8.7 million and $1.0 million, respectively, in addition to a decrease in interest expense on capital related debt of $1.4 million.

Components of Net Tuition and Fees
(in millions)

	2015		2014		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	$ 106.0	89.7%	$ 106.6	91.2%	$ 108.8	91.3%
CE and contract training	6.5	5.5%	3.5	3.0%	3.2	2.7%
Fees	5.7	4.8%	6.8	5.8%	7.1	6.0%
Total tuition and fees	$ 118.2	100.0%	$ 116.9	100.0%	$ 119.1	100.0%

Waivers and financial aid as a % of total tuition and fees:

	Amount	% of Total Tuition & Fees	Amount	% of Total Tuition & Fees	Amount	% of Total Tuition & Fees
Waivers and financial aid	$ 60.0	50.8%	$ 58.1	49.7%	$ 55.0	46.2%

The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented above. For financial statement presentation, total tuition and fees are presented net of waivers

and financial aid applicable to tuition and fees, referred to as discounts, as well as bad debt expense. The table indicates the source of tuition and fees, as well as discounts. For 2015, tuition represents 89.7% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing 4.8% and the remaining 5.5% consisting of continuing education (CE) and contract training tuition. For 2014, tuition represents 91.2% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing 5.8% and the remaining 3.0% consisting of continuing education (CE) and contract training tuition. For 2013, tuition represents 91.3% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing approximately 6% and the remaining 2.7% consisting of continuing education (CE) and contract training tuition.

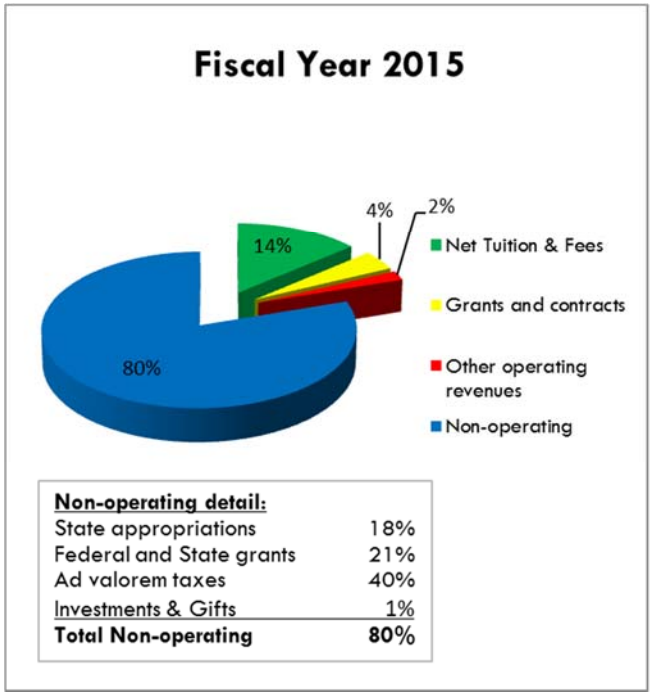
As noted earlier, overall net tuition and fees decreased $0.6 million or approximately 1.0% over 2014. For 2015, the $0.6 million decrease in gross tuition is related to a slight decrease in credit hours. The total number of credit students attending, including exempt and dual credit students decreased from 59,351 in fall 2013 to 57,675 in fall 2014. For 2014, the $2.2 million decrease in gross tuition is related to a slight decrease in credit hours. The total number of credit students attending, including exempt and dual credit students, is flat with 59,830 in fall 2012 and 59,351 in fall 2013.

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 increased $1.1 million in 2015 and decreased $2.4 million in 2014. The decrease in Federal Pell awards is related to an upswing in the local economy largely due to growth in the oil and fracking industries which has contributed to fewer Pell eligible students in attendance and an overall decrease in total credit hours as more potential students enter the job market. The $1.6 million decrease in federal non-operating grant revenues was offset by a $2.7 million increase in State funding for student aid, primarily in Texas Educational Opportunity Grants (TEOG). In addition, other amounts in this category such as institutional allowances and scholarships and dual credit exemptions increased $1.4 million and $2.9 million in 2015 and 2014, respectively. The tuition discount rate increased from 49.7% in 2014 to 50.8% in 2015.

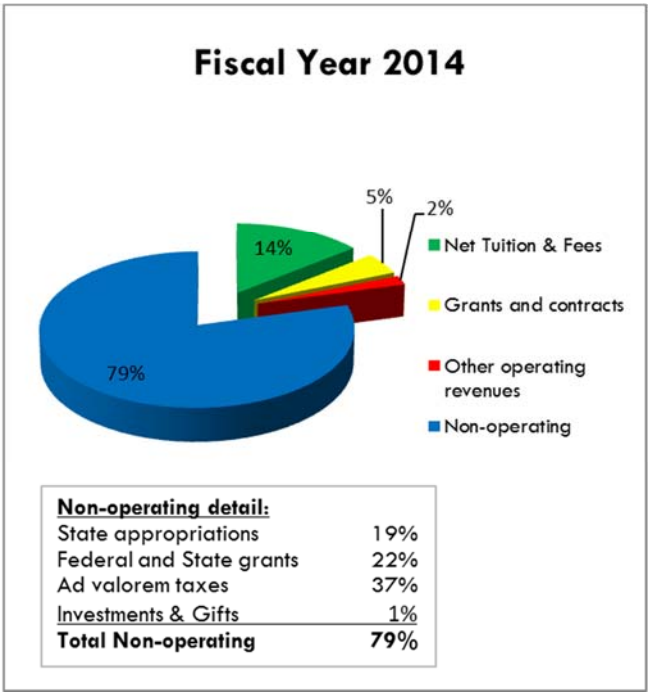
Bad debt expense is an addition to the allowance for loss which represents a reserve for the future and is grouped with tuition revenues as required by the Texas Higher Education Coordinating Board. Bad debt expense increased by approximately $0.5 million between 2014 and 2015.

Following is a chart of the major sources of revenue for fiscal years 2015 and 2014, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 80% for 2015 and 79% for 2014. The primary components of non-operating revenues remain as state appropriations, federal and state grants and ad valorem taxes. The chart reflects an increase in the level of ad valorem tax collections attributed to increases in the property values within the District's constituency.

Revenue Components – Operating and Non-operating



Non-operating detail:	
State appropriations	18%
Federal and State grants	21%
Ad valorem taxes	40%
Investments & Gifts	1%
Total Non-operating	**80%**



Non-operating detail:	
State appropriations	19%
Federal and State grants	22%
Ad valorem taxes	37%
Investments & Gifts	1%
Total Non-operating	**79%**

Operating expenses are presented on the following pages for three years in both a natural and a functional classification. Salaries and wages increased $1.6 million or 1.0% from fiscal year 2014 to 2015 and increased $6 million or 3.7% between 2013 and 2014. The District's 2014-2015 budget contained two compensation adjustments aimed at establishing Alamo Colleges as an employer that offers a fair and competitive salary to its faculty and staff. The faculty salary plan for full-time faculty increased to continue the policy of aligning the District more closely with its top three peers in Texas. Salaries for additional staff was increased as a result of a compensation study initiated in fall 2013 to ensure a consistent pay structure that aligns jobs, titles, grades and pay ranges is realized. The $6 million increase in salaries and wages for fiscal year 2014 was the result of the first phase of salary adjustments resulting from the fall 2013 compensation study as previously discussed. Compensation improvements were approved beginning January 1, 2014 to bring compensation to the top-third of a blended higher education/general industry market. An adjustment was also made to faculty compensation to the adopted "Threeness" target-level among large college peer group community colleges in Texas, as previously mentioned. As a result, compensation adjustments, including benefits, of $6.28 million were approved by the Board in November 2013 for the January to August time frame.

For fiscal year 2015, expenses for benefits increased by $1.7 million or 3.7%. This increase is coincident with the salary adjustments mentioned previously that were a result of a fall 2013 compensation study aimed at aligning District personnel salaries and benefits with its top three peers. In addition, benefits expense increased due to an increase in health insurance costs. While benefits recorded in 2014 decreased $1.2 million from fiscal year 2013, actual benefits increased approximately $1.9 million as a result of an additional $3.1 million of benefits paid in fiscal year 2013 related to 2012 retirement benefits not funded by the State as decided by the 82nd Texas Legislature's biennium appropriation level. This net increase of $1.9 million correlates with the increase in salaries and wages due to an increase in the number of employees in fiscal year 2014.

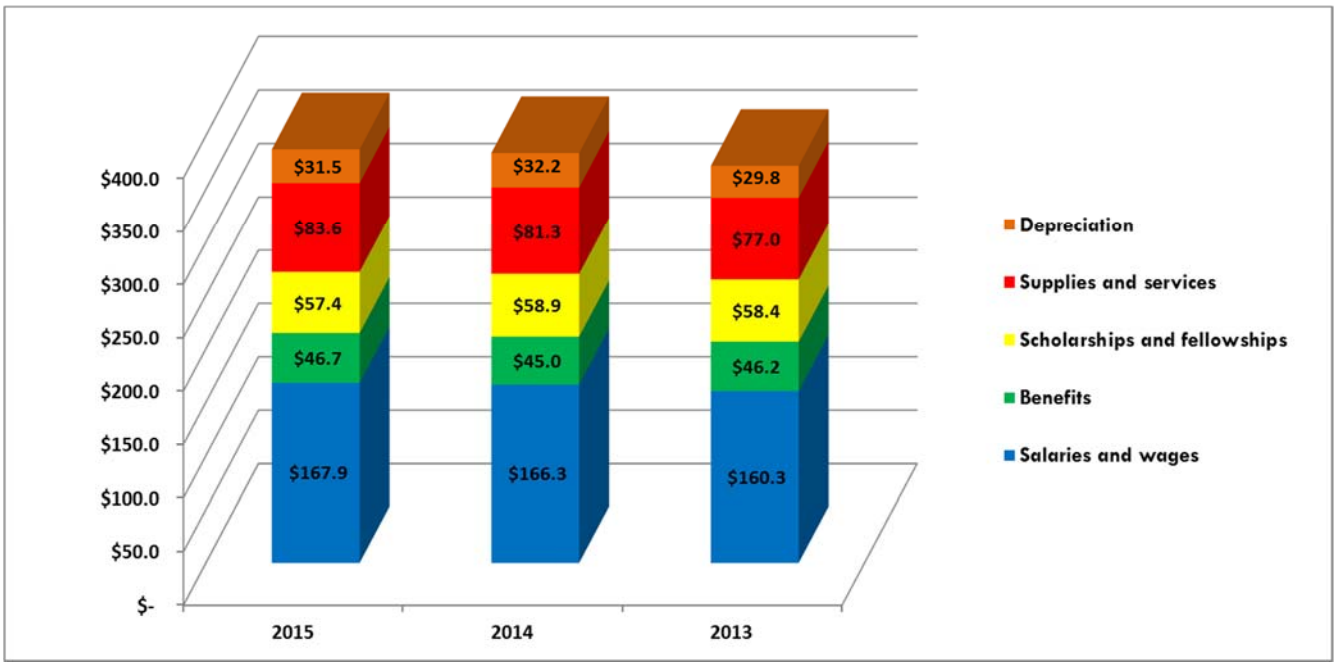
Scholarships and fellowships expense represents the amount disbursed to a student after a scholarship award is credited to the student's account for payment of tuition and fees. Scholarships and fellowships decreased by $1.5 million or 2.5% in 2015 as fewer Pell eligible students attended due to an upswing in the local economy and more potential students entered the job market. Scholarships and fellowships remained relatively flat in 2014, with a modest increase of approximately $0.5 million.

Operating Expenses in Natural Classification
(in millions)

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Salaries and wages	$ 167.9	$ 166.3	$ 160.3	$ 1.6	$ 6.0
Benefits	46.7	45.0	46.2	1.7	(1.2)
Scholarships and fellowships	57.4	58.9	58.4	(1.5)	0.5
Supplies and services	83.6	81.3	77.0	2.3	4.3
Depreciation	31.5	32.2	29.8	(0.7)	2.4
Total operating expenses	$ 387.0	$ 383.7	$ 371.7	$ 3.3	$ 12.0

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

Operating Expenses in Natural Classification
(in millions)



Operating Expenses in Functional Classification
(in millions)

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Instruction	$ 125.7	$ 125.9	$ 124.4	$ (0.2)	$ 1.5
Public service	1.3	1.6	0.3	(0.3)	1.3
Academic support	25.1	24.7	25.1	0.4	(0.4)
Student services	43.0	36.8	32.1	6.2	4.7
Institutional support	65.2	65.2	63.9	-	1.3
Operation and maintenance of plant	36.1	36.8	36.2	(0.7)	0.6
Depreciation	31.5	32.1	29.8	(0.6)	2.3
Scholarships and fellowships	57.4	58.9	58.4	(1.5)	0.5
Total educational and general expenses	385.3	382.0	370.2	3.3	11.8
Auxiliary enterprise	1.7	1.7	1.5	-	0.2
Total operating expenses	$ 387.0	$ 383.7	$ 371.7	$ 3.3	$ 12.0

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 a part of the instructional program, such as faculty salaries and benefits. Instruction expenses decreased $0.2 million in fiscal year 2015 and increased $1.5 million in fiscal year 2014. The $0.2 million decrease in 2015 is 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. The $1.5 million increase for 2014 is related to Board-approved salary increases and retirement incentive costs.

- Public service expense decreased by $0.3 million in 2015 as the majority of renovations and purchases of furniture and equipment related to the Scobee Planetarium and Challenger Learning Center were completed in the prior year. In 2014, public service expense increased by $1.3 million due to renovations for the Scobee Planetarium and the Challenger Learning Center at San Antonio College.

- Academic support increased by $0.4 million in 2015 due to increased costs for health care and other benefits for non-faculty employees.

- Student services increased in fiscal year 2015 by $6.2 million and increased $4.7 million from fiscal year 2013 to 2014. The $6.2 million increase in 2015 is related to investments made to implement the Alamo Institutes and the case management advising system, the establishment of a new corporate college and funds spent to support social media and expand the support call center. The $4.7 million increase in 2014 is primarily due to a $2.8 million increase in salaries and wages and $1.6 million spent on student success initiatives approved by the Board. The initiatives included staff and faculty development, MyMAP and AlamoENROLL enhancements, College Connection, college readiness activities and refresher courses, student call center, and positions for faculty development, as well as adjunct faculty recruitment.

- For fiscal year 2015, institutional support remained flat after the $1.3 million increase from fiscal year 2013 to 2014. The $1.3 million increase during fiscal year 2014 is primarily due to an increase in salaries and wages of approximately $3.0 million offset by a reduction in benefits of $1.6 million. The District continues to invest in human resources, professional development, asset management, public safety and financial services areas.

- The category of operation and maintenance of plant decreased by $0.7 million in 2015 due to slightly fewer maintenance cost in fiscal year 2015.

- Scholarship and fellowships decreased by $1.5 million in 2015, primarily because fewer Pell eligible students attended due to an upswing in the local economy, with more potential students entering the job market, as previously noted. For fiscal year 2014, scholarships and fellowships were flat, with an increase of $0.5 million.

The District's largest operating expense is salaries, wages and benefits. Other significant expense categories include technology and utility costs. As the District continues to experience financial pressure from reduced State of Texas appropriations, expense controls are in place as developed by the Board of Trustees, administrators, faculty, staff and students across the institution.

Due to the implementation of GASB 68, which changed how pension expense is calculated and recorded, the District saw a net decrease of approximately $0.3 million in pension expense. This reduction is applied across the functional expense categories discussed above.

Statements of Cash Flows

The Statements of Cash Flows provide information about the sources of cash and the uses of cash in the operations and activities of the District. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital financing activities and investing activities. The Statements of Cash Flows indicated an overall decrease in cash and cash equivalents of approximately $6.5 million at August 31, 2015 and an overall decrease in cash and cash equivalents of approximately $13.0 million at August 31, 2014. The primary use of cash in operations is for payment of salaries, wages and benefits, followed by payments to suppliers for goods and services, then payments for scholarships and fellowships. Sources of cash from operations arise primarily from student tuition and fees as well as grant and contract revenues. Sources of cash from non-capital financing activities are primarily from ad valorem taxes, non-operating federal and state revenue and state appropriations. The $6.5 million decrease in cash and cash equivalents in fiscal year 2015 is primarily due to capital asset purchases made from bond proceeds and other sources. For 2014, the $13.0 million decrease in cash and cash equivalents is primarily related to repayment of operational liabilities and capital related debt. Financing activities include payment of debt, both principal and interest, as well as capital asset acquisitions and construction.

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The District had $748.6 million and $769.9 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2015 and 2014, respectively. Depreciation and amortization expenses totaled $31.5 million in fiscal year 2015 and $32.2 million in fiscal year 2014 (Note 5). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End
(in millions)

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Land	$ 53.0	$ 52.4	$ 52.4	$ 0.6	$ -
Construction in progress and works of art	0.2	18.7	17.9	(18.5)	0.8
Buildings and building improvements	621.2	622.9	625.3	(1.7)	(2.4)
Other real estate improvements	64.2	65.3	61.1	(1.1)	4.2
Furniture, machinery and equipment	7.8	8.1	9.5	(0.3)	(1.4)
Software	0.1	0.2	0.4	(0.1)	(0.2)
Library materials	2.1	2.3	2.6	(0.2)	(0.3)
Total capital assets, net of accumulated depreciation	$ 748.6	$ 769.9	$ 769.2	$ (21.3)	$ 0.7

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated to August 31, 2015 and 2014.

Depreciable Capital Assets and Accumulated Depreciation Percentages
(in millions)

	Fiscal Year 2015			Fiscal Year 2014		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	$ 123.9	$ 59.7	48.2%	$ 120.7	$ 55.4	45.9%
Buildings and bldg improvements	832.2	211.0	25.4%	810.2	187.3	23.1%
Furniture, machinery and equipment	37.5	29.6	79.0%	36.7	28.6	77.9%
Software	3.1	3.0	96.8%	3.1	2.9	93.5%
Library materials	16.3	14.3	87.7%	16.4	14.0	85.4%
TOTAL	$ 1,013.0	$ 317.6	31.4%	$ 987.1	$ 288.2	29.2%

Major capital additions and renovations completed or in progress during fiscal years 2015 and 2014 include the following:

Fiscal Year 2015	Amount (in millions)
San Antonio College Scobee Center Renovation/Challenger Center	$ 10.9
San Antonio College Moody Building Renovation	1.4
San Antonio College Welcome Center Leasehold	1.6
San Antonio College Fletcher Administration Building Renovation	1.1
St. Philip's College Sutton Learning Center Renovation	5.1
Palo Alto College San Jacinto Building Renovation/Cosmetology	0.7
Palo Alto College Ozuna Library & Learning Building Renovation	1.5

Fiscal Year 2014	Amount (in millions)
San Antonio College - Tobin Lofts Parking Garage	$ 12.3
San Antonio College - First Responders waste water treatment plant	1.6
St. Philip's College - Sutton Learning Center renovation	2.7
Palo Alto College - SECO thermal storage tank	2.0
Northwest Vista College - SECO thermal storage tank	2.0
Northeast Lakeview College - SECO thermal storage tank	1.4

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

The District has entered into several contracts for construction and various other renovation projects financed by bond proceeds. As of August 31, 2015 and 2014, the District was committed for approximately $11.8 million and $5.4 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 had $528.2 million and $556.7 million in outstanding bond and maintenance tax note debt at August 31, 2015 and 2014, respectively, before premiums and discounts. Outstanding debt decreased by $28.5 million and $32.7 million in fiscal years 2015 and 2014, respectively. The table below summarizes these amounts by type of debt instrument. See also Notes 7 and 8 to the basic financial statements for additional information.

Bonds and Tax Notes Payable
(in millions)

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
General obligation bonds	$ 364.8	$ 374.4	$ 383.4	$ (9.6)	$ (9.0)
Revenue bonds	64.0	68.6	73.7	(4.6)	(5.1)
Tax notes	99.4	113.7	132.3	(14.3)	(18.6)
Total outstanding debt	$ 528.2	$ 556.7	$ 589.4	$ (28.5)	$ (32.7)

The $28.5 million reduction in fiscal year 2015 is due to scheduled debt service payments of approximately $23.4 million and a cash defeasance of $4.9 million of Series 2007 Maintenance Tax Notes.

The $32.7 million reduction in fiscal year 2014 is due to scheduled debt service payments of approximately $22.6 million, a cash defeasance of $2.3 million of Series 2007 Maintenance Tax Notes, and a $7.8 million net reduction

related to the issuance of $40.7 million in Maintenance Tax Refunding Bonds from which the proceeds were used to refund an additional $48.5 million of principal of 2007 Series Maintenance Tax Notes.

The general obligation debt of Alamo Colleges is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of the Alamo Colleges that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues. The pledged revenue is all revenue from tuition pursuant to applicable Texas law. The bond rating for the District's general obligation bonds was Aaa by Moody's Investors Service, the highest rating possible, and was AA+ by Standard & Poor's. More detailed information about the District's noncurrent liabilities is presented in Notes 6, 7 and 8 to the basic financial statements.

Factors Having Probable Future Financial Significance

The economic condition of Alamo Colleges is influenced by the economic positions of the State of Texas, the County of Bexar and surrounding counties and the City of San Antonio. The Texas Workforce Commission reports that the August 2015 unemployment rate for San Antonio, the state of Texas and the United States to be 3.5%, 4.4% and 5.2%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states, with the San Antonio economy being one of the strongest in the state. In fact, the Texas Workforce Commission reports that Texas employers have added over 224,000 jobs since September 2014.

The San Antonio metropolitan area is considered one of the most attractive locations in the nation for business due to affordable land, abundant power, an education system that continues to evolve and improve and a cost of living nearly 8% below the national average according to the *San Antonio Economic Development Foundation*. It is the seventh largest city in the United States and the second largest city in Texas. In June 2015, *Forbes* magazine named San Antonio as one of the Top 10 Best Cities for Jobs. *Forbes* also ranked San Antonio #15 in job growth and #50 in its 2015 list of the Best Places for Business and Careers.

The level of state appropriations Texas community colleges historically received enabled the low tuition rates community colleges provide. The State decreased appropriations and benefit coverage and drastically changed the revenue mix. Tuition revenue from students and tax revenue from local property owners 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 instruction costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. For 2014, it reduced the State's portion of retirement and health benefit coverage to 50% of eligible employees' retirement and health benefit costs. In the long term, without the State's full support, Texas community colleges will be forced to adjust the level of services to students and possibly significantly raise tuition and ad valorem tax rates.

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

ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1

Statements of Net Position
August 31, 2015 and 2014

	2015	2014*
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,660,033	$ 20,055,314
Restricted cash and cash equivalents	26,066,998	25,159,437
Investments	69,534,948	59,992,754
Accounts receivable and notes receivable, net of allowance	9,222,587	10,189,892
Other assets	108,230	190,652
Total current assets	117,592,796	115,588,049
Noncurrent assets:		
Long-term investments - operating	40,390,771	49,527,876
Other assets	4,336,853	4,208,901
Capital assets (net)	748,644,956	769,876,929
Total noncurrent assets	793,372,580	823,613,706
TOTAL ASSETS	910,965,376	939,201,755
DEFERRED OUTFLOWS OF RESOURCES	15,934,179	7,559,417
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	15,132,336	21,111,599
Funds held for others	662,206	694,539
Unearned income	29,753,467	30,719,370
Current portion of long-term liabilities	28,204,296	26,893,059
Total current liabilities	73,752,305	79,418,567
Noncurrent liabilities	599,243,675	581,839,426
TOTAL LIABILITIES	672,995,980	661,257,993
DEFERRED INFLOWS OF RESOURCES	14,822,858	-
NET POSITION		
Net investment in capital assets	188,809,909	180,647,750
Restricted for:		
Expendable		
Student aid	9,590,314	7,949,674
Instructional programs	1,088,498	1,090,359
Capital projects	2,501,875	220,829
Debt service	11,060,012	9,372,040
Unrestricted	26,030,109	86,222,527
TOTAL NET POSITION (Schedule D)	$ 239,080,717	$ 285,503,179

*Due to the effects of implementing GASB 68 and GASB 71, certain FY2014 balances are not comparable with FY2015 balances (see Note 2).

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

ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1A

Statements of Financial Position of Alamo Colleges Foundation, Inc.
(A Component Unit of Alamo Community College District)
December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash and certificates of deposit	$ 4,400,239	$ 2,959,551
Contributions receivable	1,230,410	1,513,643
Investments:		
Fixed income securities	1,794,634	1,708,448
Mutual funds	5,400,706	4,902,272
Marketable securities	8,935,799	8,469,035
TOTAL ASSETS	21,761,788	19,552,949
LIABILITIES AND NET POSITION		
Accounts payable and accrued liabilities	$ 115,690	$ 2,924
Due to affiliates	32,940	64,676
TOTAL LIABILITIES	148,630	67,600
Net Position		
Unrestricted	128,339	147,762
Temporarily restricted	8,111,012	7,069,876
Permanently restricted - endowments	13,373,807	12,267,711
TOTAL NET POSITION	21,613,158	19,485,349
TOTAL LIABILITIES AND NET POSITION	$ 21,761,788	$ 19,552,949

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, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash	$ 223,680	$ -
Noncurrent assets:		
Capital assets - land	5,099,847	5,099,847
TOTAL ASSETS	5,323,527	5,099,847
LIABILITIES		
Current liabilities:		
Current portion of unearned lease revenue	24,000	24,000
Noncurrent liabilities:		
Note payable	2,000,000	2,000,000
Unearned lease revenue	1,702,000	1,726,000
Interest payable	246,667	163,710
Total noncurrent liabilities	3,948,667	3,889,710
TOTAL LIABILITIES	3,972,667	3,913,710
NET POSITION		
Net investment in capital assets	3,099,847	3,099,847
Unrestricted	(1,748,987)	(1,913,710)
TOTAL NET POSITION	$ 1,350,860	$ 1,186,137

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, 2015 and 2014

	2015	2014*
OPERATING REVENUES:		
Tuition and fees (net of discounts of $59,985,982 and $58,069,473, respectively)	$ 58,189,683	$ 58,801,056
Federal grants and contracts	11,778,488	12,765,892
State grants and contracts	3,947,810	4,065,764
Local grants and contracts	1,296,948	1,446,196
Non-governmental grants and contracts	412,843	539,737
Auxiliary enterprises	4,928,513	5,136,606
Other operating revenues	3,404,657	2,829,815
Total operating revenues (Schedule A)	83,958,942	85,585,066
OPERATING EXPENSES:		
Instruction	125,728,110	125,881,630
Public service	1,316,159	1,637,733
Academic support	25,110,376	24,662,025
Student services	42,970,921	36,774,450
Institutional support	65,194,666	65,230,586
Operation and maintenance of plant	36,124,418	36,790,438
Scholarships and fellowships	57,362,225	58,904,541
Auxiliary enterprises	1,722,356	1,672,175
Depreciation and amortization	31,517,072	32,150,775
Total operating expenses (Schedule B)	387,046,303	383,704,353
Operating loss	(303,087,361)	(298,119,287)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	77,540,886	77,019,978
Ad valorem taxes		
Taxes for maintenance and operations	119,772,762	110,490,520
Taxes for maintenance notes	19,117,242	16,299,867
Taxes for general obligation bonds	28,916,338	30,931,011
Federal grants, non-operating	82,691,427	84,282,146
State grants, non-operating	7,062,622	4,391,725
Gifts	1,341,557	1,658,072
Investment income	774,618	1,027,366
Interest on capital related debt	(18,560,788)	(19,597,151)
Interest on maintenance tax notes	(4,807,242)	(5,464,867)
Other non-operating expenses	(2,283,585)	(5,464,237)
Net non-operating revenues (Schedule C)	311,565,837	295,574,430
Increase (decrease) in net position	8,478,476	(2,544,857)
NET POSITION:		
Net position - beginning of year	285,503,179	288,048,036
Cumulative effect of change in accounting principle (Note 2)	(54,900,938)	N/A
Net position - beginning of year, as restated	230,602,241	N/A
Net position - end of year	$ 239,080,717	$ 285,503,179

*Due to the effects of implementing GASB 68 and GASB 71, certain FY2014 balances are not comparable with FY2015 balances (see Note 2).

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

ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2A

Statements of Activities of Alamo Colleges Foundation, Inc.
(A Component Unit of Alamo Community College District)
For Years Ended December 31, 2014 and 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net position at January 1, 2013	$ 90,155	$ 4,395,925	$ 11,574,474	$ 16,060,554
Support and revenue:				
Contributions	180,478	3,734,834	482,527	4,397,839
In-kind revenue	506,237	-	-	506,237
Interest and dividend income	-	236,226	-	236,226
Gain on investments	-	1,776,115	-	1,776,115
Net position released from restrictions	2,887,514	(2,887,514)	-	-
Total revenue	3,574,229	2,859,661	482,527	6,916,417
Expenses:				
Program	2,986,843	-	-	2,986,843
General and administrative	336,173	-	-	336,173
Fundraising	168,606	-	-	168,606
Total expenses	3,491,622	-	-	3,491,622
Increase in net position	82,607	2,859,661	482,527	3,424,795
Designated transfers	(25,000)	(185,710)	210,710	-
Net position at December 31, 2013	147,762	7,069,876	12,267,711	19,485,349
Support and revenue:				
Contributions	168,112	3,699,927	971,887	4,839,926
In-kind revenue	551,206	-	-	551,206
Interest and dividend income	-	263,410	-	263,410
Gain on investments	-	233,388	-	233,388
Net position released from restrictions	3,053,530	(3,053,530)	-	-
Total revenue	3,772,848	1,143,195	971,887	5,887,930
Expenses:				
Program	3,260,157	-	-	3,260,157
General and administrative	302,566	-	-	302,566
Fund-raising	197,398	-	-	197,398
Total expenses	3,760,121	-	-	3,760,121
Increase in net position	12,727	1,143,195	971,887	2,127,809
Designated transfers	(32,150)	(102,059)	134,209	-
Net position at December 31, 2014	$ 128,339	$ 8,111,012	$ 13,373,807	$ 21,613,158

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, 2015 and 2014

	2015	2014
OPERATING REVENUES/(EXPENSES):		
Lease revenue	$ 24,000	$ 24,000
Developer fees	223,775	-
Bank charges (net of interest income)	(95)	-
Total net operating revenues	247,680	24,000
Operating income	247,680	24,000
NON-OPERATING (EXPENSES):		
Interest on capital related debt	(82,957)	(77,802)
Increase (decrease) in net position	164,723	(53,802)
NET POSITION:		
Net position - beginning of year	1,186,137	1,239,939
Net position - end of year	$ 1,350,860	$ 1,186,137

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, 2015 and 2014

	2015	2014*
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	$ 64,915,754	$ 63,324,523
Receipts from grants and contracts	17,492,589	20,857,307
Collection of loans to students	15,345	221,348
Other receipts	3,293,513	4,169,609
Payments to or on behalf of employees	(204,099,458)	(194,816,997)
Payments to suppliers for goods and services	(83,885,777)	(83,023,978)
Payments for scholarships and fellowships	(57,362,225)	(58,596,099)
Payment for loans to students	(33,972)	(129,906)
Net cash used by operating activities	(259,664,231)	(247,994,193)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	64,562,890	64,676,499
Receipts from ad valorem taxes	119,815,337	110,448,886
Receipts from non-operating federal and state revenue	87,902,696	90,314,013
Receipts from gifts and grants (other than capital)	206,545	79,027
Payments to/receipts from student organizations and other agency transactions	(32,333)	34,229
Payment for Federal loans issued to students	(27,700,139)	(28,181,544)
Receipts from Federal loans for students	27,694,813	32,923,319
Net cash provided by noncapital financing activities	272,449,809	270,294,429
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	-	51,384,199
Bond issuance costs	-	(376,102)
Receipts from ad valorem taxes for debt service	48,011,432	47,236,691
Receipts from capital grant contracts, grants and gifts	1,043,491	2,049,215
Payments for capital assets acquisition and construction of capital assets	(14,576,472)	(41,013,740)
Payments on capital debt - principal	(28,927,356)	(73,305,000)
Payments on capital debt - interest	(25,062,718)	(26,653,025)
Net cash used by capital and related financing activities	(19,511,623)	(40,677,762)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	297,428,314	181,833,363
Interest on investments	643,414	951,633
Purchase of investments	(297,833,403)	(177,348,043)
Net cash provided by investing activities	238,325	5,436,953
DECREASE IN CASH AND CASH EQUIVALENTS	(6,487,720)	(12,940,573)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	45,214,751	58,155,324
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 38,727,031	$ 45,214,751

*Due to the effects of implementing GASB 68 and GASB 71, certain FY2014 balances are not comparable with FY2015 balances (see Note 2).

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

ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3

Statements of Cash Flows
For Years Ended August 31, 2015 and 2014
(continued)

RECONCILIATION OF OPERATING LOSS TO NET CASH	2015	2014*
USED BY OPERATING ACTIVITIES:		
Operating loss	$ (303,087,361)	$ (298,119,287)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	31,517,072	32,150,775
Donated capital assets	74,021	508,330
Allowance for doubtful accounts	1,835,765	1,636,256
Non-cash state appropriations - on-behalf payments	12,977,996	12,343,479
Pension expense	(344,767)	-
Changes in assets and liabilities:		
Receivables (net)	870,956	2,358,881
Other assets	201,137	(1,280,302)
Accounts payable	(2,500,348)	3,193,361
Unearned income	(1,019,055)	(1,357,275)
Compensable absences	25,945	533,493
Workers' compensation accrual	(213,449)	-
Utility escrow	16,484	(53,346)
Loans to students	(18,627)	91,442
Net cash used by operating activities	$ (259,664,231)	$ (247,994,193)

SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
State on-behalf payments	$ 12,977,996	$ 12,343,479
Increase in fair value of investments	$ 27,834	$ 339,738
Gifts of depreciable and non-depreciable assets	$ 74,021	$ 508,330
Amortization of premium on bonds	$ 1,907,246	$ 2,236,523
Amortization of deferred charges on bond refundings	$ 348,003	$ 256,891
Assets acquired through capital leasing	$ 1,121,217	$ -

*Due to the effects of implementing GASB 68 and GASB 71, certain FY2014 balances are not comparable with FY2015 balances (see Note 2).

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

1. REPORTING ENTITY

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

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

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 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: Ominibus – an amendment of GASB Statements No. 14 and No. 34,* the PFC is a component unit of the Alamo Colleges 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 Alamo Colleges.

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 2015. For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities.

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 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 reserved for payment of restricted current liabilities are included 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. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity.

Capital Assets

Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition. Donated capital assets are stated at estimated fair market value at the date of donation. Improvements which significantly add value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs are charged to operating expense in the year the expense is incurred.

The straight-line method is used for depreciating the assets over their useful lives. Depreciation begins in the following year after capitalization except for equipment, which is prorated in the first year the asset was placed in service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table 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%
Machinery and equipment	5,000	5-10	-
Infrastructure	100,000	20	10%
Software	5,000	5	-
Library books	All	15	-
Works of art/historical treasures	5,000	Not depreciated	-
Leasehold improvements	10,000	Shorter of lease life or useful life	-
Technology systems	50,000	5	-

Deferred Outflows of Resources

The Statement of Net Position includes 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 deferred and 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 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.

Pensions

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

Compensable Absences

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

Self-Insurance

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows of Resources

The Statement of Net Position includes 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. Resulting from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in fiscal year 2015, the District recognized a deferred inflow of resources for the net difference between projected and actual investment earnings related to its participation in the Teacher Retirement System of Texas (TRS) defined benefit pension plan.

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.

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 tuition discount. When these awards are used for purposes other than tuition and fees, the amounts are recorded as scholarship expense.

Operating and Non-operating Expenses
Operating expenses include the cost of providing instruction, student services and support, administrative expenses, and depreciation and amortization on capital assets. Expenses related to non-operating federal revenues are reported as operating expenses, either as tuition discounts (if applied to tuition) or as scholarship expenses. The auxiliary operations for campus bookstores and food service are not performed by the District.

The major non-operating expenses are interest on capital related debt and capital expenses associated with bond proceeds which fall below the District's capitalization thresholds.

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

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

New Pronouncements
In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The District has implemented this Statement for the fiscal year ended August 31, 2015 to comply with GASB requirements. The adoption of this Statement resulted in a restatement to beginning net position for the cumulative effect of a change in accounting principle (See Note 2).

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a beginning deferred outflow of resources be recognized for any pension contributions made subsequent to the measurement date of a government's beginning net pension liability. The District has applied the provisions of this statement in the current year, simultaneously with the provisions of Statement No. 68. The adoption of this Statement resulted in a restatement to beginning net position for the cumulative effect of a change in accounting principle (See Note 2).

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

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The objectives of this Statement are to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions for GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The provisions of this Statement are generally effective for fiscal years beginning after June 15, 2015.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions 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 OEPB 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.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This 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 OEPB 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.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015.

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 reduce the reporting government's tax revenues. GASB 77 is effective for financial statements for periods beginning after December 15, 2015.

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 72, 73, 74, 75, 76 and 77 on its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restatement to Beginning Net Position

Effective for fiscal year 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, a restatement to beginning net position was required for the recording of the beginning net pension liability and for the recording of a deferred outflow of resources for contributions made to the TRS pension plan subsequent to the measurement date of the beginning net pension liability.

Because audited beginning balances could not be obtained for all of the deferred outflows of resources and deferred inflows of resources related to pensions, the District determined it was impractical to restate 2014 financial statements. As such, the District recorded a restatement to beginning net position in the fiscal year 2015 financial statements as a cumulative effect of a change in accounting principle.

Beginning net position as of September 1, 2014 has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71:

Beginning net position	$ 285,503,179
Cumulative effect of change in accounting principle (GASB 68 and GASB 71):	
Net pension liability (measurement date as of August 31, 2014)	(59,496,947)
Deferred outflow of District contributions made during FY2014	4,596,009
Beginning net position, as restated	$ 230,602,241

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.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of the District's deposits at August 31, 2015 and 2014 was $3,039,869 and $5,058,958, respectively. Total bank balances at August 31, 2015 and 2014 equaled $3,914,821 and $8,050,991, respectively.

The FDIC insures all bank deposits up to $250,000. Deposits in excess of $250,000 are collateralized at a level of at least 105% in U.S. Treasuries and Government Securities.

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2015 and 2014:

	2015	2014
Bank deposits: Demand deposits	$ 2,532,921	$ 1,839,248
Money market	506,948	3,219,710
Total bank deposits	3,039,869	5,058,958
TexPool deposits	35,649,642	40,118,273
Petty cash on hand	37,520	37,520
Total cash and cash equivalents	$ 38,727,031	$ 45,214,751

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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

TexPool is managed according to requirements of the Public Funds Investment Act and TexPool Investment Policy. Investments are stated at amortized cost, which in most cases approximates 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.

The fair value of investments as of August 31, 2015 and 2014 is disclosed below. For U.S. Government, agency and municipal obligations, prices are obtained from Interactive Data Corp (IDC), an independent third-party pricing service. Prices for commercial paper are calculated by obtaining quotes from Bloomberg for securities with similar characteristics. These sources are deemed to be reliable.

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2015 and 2014:

	Fair Value at August 31,	
Type of Security	2015	2014
U.S. government securities:		
FHLB coupon notes	$ 4,999,820	$ 4,982,500
FNMA coupon notes	4,999,950	19,986,000
FHLMC coupon notes	10,340,291	-
FFCB coupon notes	20,050,325	16,924,681
U.S. Treasury	9,991,375	-
Municipal bonds	-	7,634,695
Commercial paper	59,543,958	59,992,754
Total	$ 109,925,719	$ 109,520,630

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statements of Net Position on August 31, 2015 and 2014 is as follows:

	Fair Value August 31,	
	2015	2014
Total cash and cash equivalents	$ 38,727,031	$ 45,214,751
Total investments	109,925,719	109,520,630
Total	$ 148,652,750	$ 154,735,381
Per Exhibit I:		
Cash and cash equivalents	$ 12,660,033	$ 20,055,314
Restricted cash and cash equivalents - current	26,066,998	25,159,437
Investments - current	69,534,948	59,992,754
Long-term investments - operating	40,390,771	49,527,876
Total	$ 148,652,750	$ 154,735,381

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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 investments and maturities at August 31, 2015 and 2014:

	2015			2014		
Investment Type	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	$ 4,999,820	3.4%	4.888	$ 4,982,500	3.3%	4.888
FNMA	4,999,950	3.4%	4.255	19,986,000	13.4% ł	3.503
FHLMC	10,340,291	7.1% ł	1.628	-	0.0%	
FFCB	20,050,325	13.8% ł	2.419	16,924,681	11.3% ł	2.410
U.S. Treasury	9,991,375	6.9% ł	1.764	-	0.0%	
Municipal bonds	-	0.0%		7,634,695	5.1% ł	1.774
Commercial paper	59,543,958	40.9% ł	0.379	59,992,754	40.1% ł	0.709
TexPool	35,649,642	24.5% ł	0.003	40,118,273	26.8% ł	0.003
Total	$ 145,575,361	100.0%		$ 149,638,903	100.0%	
Portfolio weighted average maturity at August 31			1.039			1.279

* WAM = Weighted Average Maturity

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

Credit Risk – In accordance with state law and the District's investment policy, investments in the investment pools are limited to AAA or AAAm by at least one nationally recognized rating agency. At August 31, 2015, 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.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Below is a list of the individual investments held and their respective credit ratings as of August 31, 2015:

Issuer	Credit rating
FFCB	AA+ /Aaa /AAA
FHLB	AA+ /Aaa /AAA
FHLMC	AA+ /Aaa /AAA
FNMA	AA+ /Aaa /AAA
Caterpillar Financial Services	A1/P1/F1
City of Austin, Texas	A1/F1
Harvard University	A1+ /P1
J.P. Morgan Securities	A-1/P-1/F1+
Salvation Army	A1+ /P1
Toyota Motor Credit Corporation	A1+ /P1
U.S. Treasury	AA+ /Aaa /AAA
University of California	A1+/P1/FI+
University of Texas	A1+ /P1 /F1+
Vanderbilt University	A1+ /P1 /F1+
TexPool	AAAm

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

5. CAPITAL ASSETS

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

	Balance 9/1/2014	Increases	Decreases	Balance 8/31/2015
Not Depreciated:				
Land	$ 52,393,775	$ 598,954	$ -	$ 52,992,729
Works of art	226,221	-	-	226,221
Construction in progress	18,435,555	-	18,435,555	-
Subtotal	71,055,551	598,954	18,435,555	53,218,950
Subject to Depreciation:				
Buildings and building improvements	810,197,237	22,044,293	-	832,241,530
Other real estate improvements	120,690,223	3,193,758	-	123,883,981
Total buildings and other real estate improvements	930,887,460	25,238,051	-	956,125,511
Software	3,089,329	15,500	-	3,104,829
Furniture, machinery and equipment	36,719,580	2,812,992	2,084,418	37,448,154
Library materials	16,351,545	122,907	133,692	16,340,760
Total buildings and other capital assets	987,047,914	28,189,450	2,218,110	1,013,019,254
Accumulated Depreciation:				
Buildings and building improvements	187,298,328	23,725,447	-	211,023,775
Other real estate improvements	55,417,999	4,268,512	-	59,686,511
Total buildings and other real estate improvements	242,716,327	27,993,959	-	270,710,286
Software	2,869,074	112,476	-	2,981,550
Furniture, machinery and equipment	28,615,147	3,015,030	2,016,668	29,613,509
Library materials	14,025,988	395,607	133,692	14,287,903
Total accumulated depreciation	288,226,536	31,517,072	2,150,360	317,593,248
Net capital assets	$ 769,876,929	$ (2,728,668)	$ 18,503,305	$ 748,644,956

5. CAPITAL ASSETS (continued)

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

	Balance 9/1/2013	Increases	Decreases	Balance 8/31/2014
Not Depreciated:				
Land	$ 52,393,775	$ -	$ -	$ 52,393,775
Works of art	176,221	50,000	-	226,221
Construction in progress	17,741,747	12,056,865	11,363,057	18,435,555
Subtotal	70,311,743	12,106,865	11,363,057	71,055,551
Subject to Depreciation:				
Buildings and building improvements	789,475,260	20,721,977	-	810,197,237
Other real estate improvements	111,923,716	8,766,507	-	120,690,223
Total buildings and other real estate improvements	901,398,976	29,488,484	-	930,887,460
Software	3,074,329	15,000	-	3,089,329
Furniture, machinery, and equipment	35,370,766	2,573,901	1,225,087	36,719,580
Library materials	16,228,203	123,342	-	16,351,545
Total buildings and other capital assets	956,072,274	32,200,727	1,225,087	987,047,914
Accumulated Depreciation:				
Buildings and building improvements	164,206,469	23,091,859	-	187,298,328
Other real estate improvements	50,777,612	4,640,387	-	55,417,999
Total buildings and other real estate improvements	214,984,081	27,732,246	-	242,716,327
Software	2,708,666	160,408	-	2,869,074
Furniture, machinery, and equipment	25,836,048	3,859,734	1,080,635	28,615,147
Library materials	13,627,601	398,387	-	14,025,988
Total accumulated depreciation	257,156,396	32,150,775	1,080,635	288,226,536
Net capital assets	$ 769,227,621	$ 12,156,817	$ 11,507,509	$ 769,876,929

6. NONCURRENT LIABILITIES

As of August 31, 2015, noncurrent liabilities are $599,243,675 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/01/14*	Additions	Reductions	Balance 8/31/15	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 374,370,000	$ -	$ 9,500,000	$ 364,870,000	$ 9,955,000
Revenue bonds	68,630,000	-	4,655,000	63,975,000	4,720,000
Maintenance tax notes	113,670,000	-	14,310,000	99,360,000	9,755,000
Premium on bonds payable	28,064,454	-	1,907,246	26,157,208	1,838,984
Subtotal	584,734,454	-	30,372,246	554,362,208	26,268,984
Notes payable	17,161,193	1,121,217	462,356	17,820,054	1,308,039
Compensable absences	5,667,494	599,899	573,954	5,693,439	574,121
Unearned income	1,169,344	-	53,152	1,116,192	53,152
Net pension liability	59,496,947	8,381,138	19,422,007	48,456,078	-
Total noncurrent liabilities	$ 668,229,432	$ 10,102,254	$ 50,883,715	$ 627,447,971	$ 28,204,296

*Certain FY2015 beginning balances have been restated as required by implementation of GASB 68. See Note 2.

As of August 31, 2014, noncurrent liabilities are $581,839,426 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/01/13	Additions	Reductions	Balance 8/31/14	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 383,420,000	$ -	$ 9,050,000	$ 374,370,000	$ 9,500,000
Revenue bonds	73,685,000	-	5,055,000	68,630,000	4,655,000
Maintenance tax notes	132,345,000	40,665,000	59,340,000	113,670,000	9,370,000
Premium on bonds payable	23,876,080	6,424,897	2,236,523	28,064,454	1,840,872
Subtotal	613,326,080	47,089,897	75,681,523	584,734,454	25,365,872
Notes payable	12,726,890	4,574,303	140,000	17,161,193	872,347
Compensable absences	5,134,001	1,039,831	506,338	5,667,494	601,688
Unearned income	1,222,496	-	53,152	1,169,344	53,152
Total noncurrent liabilities	$ 632,409,467	$ 52,704,031	$ 76,381,013	$ 608,732,485	$ 26,893,059

7. DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2015 were as follows (table amounts in 000s):

For the Year Ended	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
August 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 9,955	$ 16,961	$ 4,720	$ 2,356	$ 9,755	$ 4,591	$ 24,430	$ 23,908
2017	10,490	16,428	4,780	2,288	7,380	4,240	22,650	22,956
2018	11,000	15,921	4,870	2,202	7,720	3,902	23,590	22,025
2019	11,545	15,374	5,060	2,052	8,100	3,523	24,705	20,949
2020	12,125	14,800	4,975	1,876	8,500	3,123	25,600	19,799
2021-2025	70,045	64,533	25,515	5,642	35,585	9,349	131,145	79,524
2026-2030	88,050	46,545	7,895	1,684	19,085	2,743	115,030	50,972
2031-2035	108,000	24,439	4,400	711	3,235	81	115,635	25,231
2036-2039	43,660	2,453	1,760	67	-	-	45,420	2,520
TOTAL	$ 364,870	$ 217,454	$ 63,975	$ 18,878	$ 99,360	$ 31,552	$ 528,205	$ 267,884

Debt service requirements at August 31, 2014 were as follows (table amounts in 000s):

For the Year Ended	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
August 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 9,500	$ 17,420	$ 4,655	$ 2,409	$ 9,370	$ 5,218	$ 23,525	$ 25,047
2016	9,955	16,961	4,720	2,356	9,755	4,838	24,430	24,155
2017	10,490	16,428	4,780	2,288	7,380	4,487	22,650	23,203
2018	11,000	15,921	4,870	2,202	7,720	4,149	23,590	22,272
2019	11,545	15,374	5,060	2,052	8,100	3,770	24,705	21,196
2020-2024	66,840	67,745	27,325	6,917	39,450	12,491	133,615	87,153
2025-2029	84,155	50,440	9,640	2,041	25,585	4,183	119,380	56,664
2030-2034	103,880	29,273	4,985	873	6,310	320	115,175	30,466
2035-2038	67,005	5,312	2,595	148	-	-	69,600	5,460
TOTAL	$ 374,370	$ 234,874	$ 68,630	$ 21,286	$ 113,670	$ 39,456	$ 556,670	$ 295,616

Rental payments of $1,275,000 and $1,233,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2015 and 2014, respectively. The terms of the rental agreements are less than or equal to one year.

8. BONDS AND TAX NOTES PAYABLE

Bonds and tax notes payable for the years ended August 31, 2015 and 2014 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	Balance August 31, 2015	Balance August 31, 2014
General Obligation Bonds (Repayment source - Ad valorem taxes)					
2006	Construct, renovate, acquire and equip new and existing facilities. Issued April 20, 2006.	$ 60,710,000	4.0% - 5.0%	$ 38,180,000	$ 39,250,000
2006A	Construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006.	49,580,000	4.5% - 5.0%	45,020,000	46,245,000
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	271,085,000	4.5% - 5.625%	173,420,000	179,370,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.5% - 5.5%	34,140,000	35,395,000
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
			Subtotal - General Obligation Bonds	$ 364,870,000	$ 374,370,000
Maintenance Tax Notes (Repayment source - Ad valorem taxes)					
2006	Purchase equipment, vehicles and renovate various facilities. Issued April 20, 2006	$ 30,435,000	4.0% - 5.0%	$ 20,480,000	$ 21,875,000
2007	Purchase equipment, vehicles and renovate various facilities. Issued September 18, 2007.	81,110,000	5.0%	2,785,000	7,725,000
2011	Renovate and repair existing District facilities. Issued August 5, 2011.	54,795,000	3.75% - 5.0%	39,325,000	43,405,000
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Issued February, 27 2014.	40,665,000	4.0% - 5.5%	36,770,000	40,665,000
			Subtotal - Maintenance Tax Notes	$ 99,360,000	$ 113,670,000
Revenue Financing System (Repayment source - Pledged revenue*)					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Issued March 22, 2012.	$ 55,800,000	1.625% - 5.25%	$ 54,995,000	$ 55,400,000
2012B	Refund remainder of the District's outstanding Combined Fee Revenue bonds (taxable issue). Issued March 22, 2012.	22,295,000	1.26% - 1.844%	8,980,000	13,230,000
			Subtotal - Revenue Financing System Bonds	$ 63,975,000	$ 68,630,000
Total Bonds				**$ 528,205,000**	**$ 556,670,000**

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

Bonds payable are due in annual installments varying from $139,250 to $19,903,500 with interest rates from 1.26% to 5.625%, with the final installment due in fiscal year 2037.

In February 2015, the District cash defeased a portion of the then-outstanding 2027 obligations designated as Alamo Community College District's Maintenance Tax Notes, Series 2007 in the amount of $4,940,000. The purpose of the defeasance was to reduce the outstanding debt service payments and obtain present value benefits. The bonds defeased were term bonds maturing in 2026 and 2027, with coupons of 5%. The economic gain was approximately $2,804,300.

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

8. BONDS AND TAX NOTES PAYABLE (continued)

The Treasury's temporary regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. A rebate computation and payment to the Treasury, if applicable, are required to be made at least every five years or each "Rebate Installment Computation Date" and upon final redemption or maturity of the bonds. The amount reserved for arbitrage rebate is reflected as part of noncurrent liabilities in the amount of $0 and $0 as of August 31, 2015 and 2014, respectively.

9. DEFEASED BONDS OUTSTANDING

As of August 31, 2015, the District had the following defeased bonds outstanding:

Bond Issue	Year Refunded	Par Value Outstanding	
		2015	2014
Combined Fee Revenue 2004*	2012	$ -	$ 5,445,000
Combined Fee Revenue 2005	2012	885,000	1,085,000
Combined Fee Revenue 2007	2012	22,190,000	23,895,000
Combined Fee Revenue 2007A	2012	4,050,000	4,200,000
		$ 27,125,000	$ 34,625,000

*Combined Fee Revenue Series 2004 called November 1, 2014

10. EMPLOYEES' RETIREMENT PLANS

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

Teacher Retirement System of Texas

Plan Description: The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (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.

Pension Plan Fiduciary Net Position: Detailed information about the Teacher Retirement System'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; or by calling (512) 542-6592; or online at http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR.

10. EMPLOYEES' RETIREMENT PLANS (continued)

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 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates

	2014	2015
Member	6.4%	6.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District contributions (audited)	$ 4,599,149	
State of Texas on-behalf contributions (unaudited)	$ 2,369,989	

The District's contributions to the TRS pension plan in 2015 were $4,823,677 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 2015 were $2,313,346.

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.

10. EMPLOYEES' RETIREMENT PLANS (continued)

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from 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 Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Valuation date	August 31, 2014
Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	5 year market value
Discount rate	8.00%
Long-term expected investment rate of return*	8.00%
Salary increases*	4.25% to 7.25%
Weighted average at valuation date	5.55%
Payroll growth rate	3.50%

*Includes inflation of 3%

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

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.

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, 2014 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	100.0%		8.7%

*The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

10. EMPLOYEES' RETIREMENT PLANS (continued)

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

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	$ 86,588,073	$ 48,456,078	$ 19,940,447

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2015, the District reported a liability of $48,456,078 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	$ 48,456,078
State's proportionate share that is associated with District	25,023,180
Total	$ 73,479,258

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2013 thru August 31, 2014.

At August 31, 2014 the District's proportion of the collective net pension liability was 0.1814061%. The change in proportion was immaterial and therefore disregarded this year.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2015, the District recognized pension expense of $2,313,346 and revenue of $2,313,346 for support provided by the State.

10. EMPLOYEES' RETIREMENT PLANS (continued)

At August 31, 2015, 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	$ 749,389	$ -
Changes in actuarial assumptions	3,149,699	-
Difference between projected and actual investment earnings	-	14,810,156
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	-	12,702
Contributions paid to TRS subsequent to the measurement date	4,823,677	-
Total	$ 8,722,765	$ 14,822,858

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

Year ended August 31,	Pension Expense Amount
2016	$ (3,046,907)
2017	(3,046,907)
2018	(3,046,907)
2019	(3,046,907)
2020	655,632
Thereafter	608,226

Optional Retirement Plan (ORP)

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

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. Since individual annuity contracts are purchased, the State has no additional or unfunded liability for this program.

10. EMPLOYEES' RETIREMENT PLANS (continued)

Total payroll for the District and for employees under each retirement plan, retirement expense for the State and the District, and contribution rates mandated by the State for the years ended August 31, 2015, 2014 and 2013 are as follows:

	2015	2014	2013
Payroll - all District employees	$ 167,878,100	$ 164,607,856	$ 160,292,000
Payroll - TRS participants	109,267,415	101,833,288	98,316,000
Payroll - ORP participants	34,293,727	37,887,806	38,249,000
Total required annual contributions:			
State on-behalf contributions	$ 3,440,000	$ 3,640,000	$ 4,100,000
District contributions	5,780,000	5,720,000	8,000,000
State contribution percentages - TRS	6.80%	6.80%	6.40%
Participant contribution percentages - TRS	6.70%	6.40%	6.40%
State contribution percentages - ORP	6.60%	6.60%	6.00%
Participant contribution percentages - ORP	6.65%	6.65%	6.65%

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

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

11. DEFERRED COMPENSATION PROGRAM

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

A total of approximately $3,052,000 was contributed by 396 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program and 119 participants contributed a total of approximately $449,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2015.

A total of approximately $2,707,000 was contributed by 392 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program and 127 participants contributed a total of approximately $428,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2014.

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.

12. COMPENSABLE ABSENCES (continued)

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, 2015 and 2014 for annual leave was approximately $5,700,000 and $5,700,000, respectively.

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2015 and 2014 were as follows:

	2015	2014
Tuition and fees receivable	$ 10,331,692	$ 11,722,272
Taxes receivable	6,331,533	6,244,342
Contracts and grants receivable	4,266,592	2,466,413
Interest receivable	110,337	225,800
Notes receivable	81,033	62,406
Other receivables	2,350,097	2,292,105
Subtotal	23,471,284	23,013,338
Less allowance for doubtful accounts:		
Tuition and fees receivable	9,035,666	7,661,490
Taxes receivable	4,866,633	4,759,015
Notes receivable	61,111	62,406
Other receivables	285,287	340,535
Net accounts receivable	$ 9,222,587	$ 10,189,892

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, 2015 and 2014 were as follows:

	2015	2014
Accounts payable to vendors	$ 5,816,060	$ 6,530,245
Accrued liabilities:		
Salaries and benefits	6,236,274	8,598,143
Construction retainage	599,433	3,170,232
Bond interest	1,708,945	1,844,390
Workers' compensation claims	458,178	671,627
Other	313,446	296,962
Total accounts payable and accrued liabilities	$ 15,132,336	$ 21,111,599

14. FUNDS HELD FOR OTHERS

The District began participation in the Federal Direct Loan Program in fiscal year 2010. The District holds unapplied Federal Direct Loan Program funds, funds for certain students as well as student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of $662,206 as of August 31, 2015 and $694,539 as of August 31, 2014.

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, 2015 and 2014 for which no expenses have been incurred, totaled approximately $34,700,000 and $35,300,000, 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 $3,208,000 of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately $458,000 and $672,000 at August 31, 2015 and 2014, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying Statements of Net Position. These liabilities are generally based on actual valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 4.25% and 4.25% for August 31, 2015 and 2014 respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2015	$ 671,627	$ 956,375	$ (1,169,824)	$ 458,178
2014	671,627	920,825	(920,825)	671,627

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.

17. HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

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 $472 and $1,566 per month for the year ended August 31, 2015 and between approximately $503 and $984 per month for the year ended August 31, 2014. 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		2015		2014
Number of Retirees		1,047		1,009
Cost of Health Benefits for Retirees	$	6,873,367	$	5,992,636
Number of Active Full Time Employees		2,368		2,351
Cost of Health Benefits for Active Full Time Employees	$	16,778,721	$	15,890,351
State Appropriation for Health Insurance	$	10,664,650	$	9,936,318
District's Expense for Health Insurance	$	12,987,438	$	11,946,669

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.

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, 2015, 2014, and 2013 were $3,624,842, $3,162,582, and $2,905,835, 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, 2015 and 2014.

18. AD VALOREM TAX (continued)

		2015 [1]	2014 [2]
Assessed valuation of the District		$ 126,334,172,615	$ 117,710,052,985
Less :	Exemptions	(11,432,857,776)	(10,595,670,602)
	Tax increment financings	(198,188,541)	(172,476,222)
Net assessed valuation of the District		$ 114,703,126,298	$ 106,941,906,161

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2014 supplement 146)

(2) Based on Supplement to the Certified Total (ARB Approved 2013 supplement 133)

The authorized and assessed property tax rates for the years ended August 31, 2015 and 2014 are as follows:

	2015			2014		
	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	$ 0.10640000	$ 0.04275000	$ 0.14915000	$ 0.10440000	$ 0.04475000	$ 0.14915000

Taxes levied for the years ended August 31, 2015 and 2014 were approximately $168,692,000 and $157,087,000, respectively. State law automatically places a tax lien on all taxable property on January 1 of each year to secure payment. Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed, and are subject to penalties and interest.

The tax collection detail at August 31, 2015 and 2014 is as follows:

	2015			2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	$ 117,851,311	$ 47,354,089	$ 165,205,400	$ 107,975,935	$ 46,284,268	$ 154,260,203
Tax increment financings payment	(206,158)	-	(206,158)	(194,531)	-	(194,531)
Delinquent taxes collected	859,964	343,349	1,203,313	1,236,794	555,546	1,792,340
Penalties and interest	1,289,725	334,489	1,624,214	1,388,879	355,298	1,744,177
Total	$ 119,794,842	$ 48,031,927	$ 167,826,769	$ 110,407,077	$ 47,195,112	$ 157,602,189

Tax collections for the years ended August 31, 2015 and 2014 were 98.83% and 98.73%, respectively, of the current year's tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

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, 2015 or 2014.

20. OTHER OPERATING REVENUES

Other operating revenues include rental income, printing commissions, 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, 2015, 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, 2015 and 2014, the District was committed for approximately $11,765,000 and $5,427,000, respectively.

22. SUBSEQUENT EVENTS

In July 2015, the Board of Trustees approved a cash defeasance of certain bonds in the Maintenance Tax Notes Series 2006 and Maintenance Tax Notes Series 2007 to reduce debt service and obtain present value savings. The total amount of bonds to be defeased are $12,845,000; the expected date is February 15, 2016.

23. ALAMO COLLEGES FOUNDATION, INC. - DISCRETE COMPONENT UNIT

The following footnotes are from the audited financial statements of Alamo Colleges Foundation, Inc. (Foundation) for the years ended December 31, 2014 and 2013:

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; (2) to provide broad educational opportunities to the Alamo Colleges' students, staff, faculty and the residents of the geographical area that the Alamo Colleges 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, or to the benefit of other organizations identified and associated with the Alamo Colleges 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 Alamo Colleges because of the nature and significance of its relationship with Alamo Colleges. The economic resources received or held by the Foundation are almost entirely for the direct benefit of Alamo Colleges; Alamo Colleges 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 Alamo Colleges.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation is required to report information regarding its financial position and activities according to three classes of net position:

- *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.
- *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 to present a statement of cash flows.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates. Estimates that have the most impact on financial position and results of operations primarily relate to the collectability and present value of contributions receivables, the fair value of investments, and the allocation of expenses among functional areas. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the 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 the Bank of America Merrill Lynch 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 unallocated gains and losses on donor-restricted endowment net position balances is 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.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets
The Foundation operates from facilities provided by the Alamo Colleges 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 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 statement of activities.

- Program consists of scholarships and program support payments made to Alamo Colleges for tuition and books on behalf of specified students, staff, and faculty of the Alamo Colleges and the residents of the geographical area that the Alamo Colleges serve; and to maintain, develop, increase, and extend the facilities and services of the Alamo Colleges.

- 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 statements. The Foundation's federal tax fillings prior to 2012 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. The Alamo Colleges 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 is 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 statement 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.

C - INVESTMENTS

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

	2014		2013	
Type of Security	Cost	Fair Value	Cost	Fair Value
Fixed income securities	$ 1,760,233	$ 1,794,634	$ 1,741,295	$ 1,708,448
Mutual funds	5,566,427	5,400,706	4,980,917	4,902,272
Marketable securities	7,529,012	8,935,799	6,543,575	8,469,035
Total	$ 14,855,672	$ 16,131,139	$ 13,265,787	$ 15,079,755

Net investment income is comprised of the following:

	2014	2013
Interest and dividend income	$ 263,410	$ 236,226
Gain on investments	233,388	1,776,115
Total	$ 496,798	$ 2,012,341

The Foundation elects to net investment expenses with earnings from investments. Total investment expenses in 2014 and 2013 were $143,806 and $124,770 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, 2014 and 2013 are as follows:

	Program	General and Administrative	Fundraising	Total
Year ended December 31, 2014:				
Scholarships and educational support	$ 3,164,909	$ -	$ -	$ 3,164,909
Salaries and benefits	79,095	221,643	151,028	451,766
Office and administrative	6,160	17,261	12,106	35,527
Rent	-	7,177	-	7,177
Professional services	5,402	27,859	13,433	46,694
Professional development, fees and subscriptions	1,439	4,032	4,576	10,047
Software acquisition, maintenance and support	1,868	5,233	3,566	10,667
Other	1,284	19,361	12,689	33,334
Total	$ 3,260,157	$ 302,566	$ 197,398	$ 3,760,121
Year ended December 31, 2013:				
Scholarships and educational support	$ 2,899,469	$ -	$ -	$ 2,899,469
Salaries and benefits	74,338	208,315	141,946	424,599
Office and administrative	1,785	10,435	1,850	14,070
Rent	-	7,177	-	7,177
Professional services	5,447	25,264	10,401	41,112
Professional development, fees and subscriptions	1,092	3,058	4,018	8,168
Software acquisition, maintenance and support	2,724	76,353	5,202	84,279
Other	1,988	5,571	5,189	12,748
Total	$ 2,986,843	$ 336,173	$ 168,606	$ 3,491,622

E – ENDOWMENT NET POSITION

The Foundation's endowment consists of 156 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 Uniform Prudent Management of 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.

Endowment net position and classifications of related unappropriated income at December 31, 2014 and 2013:

	Temporarily Restricted	Permanently Restricted	Total
As of December 31, 2014			
Endowment funds	$ 3,211,071	$ 13,373,807	$ 16,584,878
As of December 31, 2013			
Endowment funds	$ 3,047,415	$ 12,267,711	$ 15,315,126

E – ENDOWMENT NET POSITION (continued)

The changes in endowment net position and related income classification for the year ended December 31, 2014 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning of the year	$ 3,047,415	$ 12,267,711	$ 15,315,126
Contributions:	-	971,887	971,887
Investment return:			
Interest and dividends	263,410	-	263,410
Gain/loss on investments	233,388	-	233,388
Total revenues	496,798	971,887	1,468,685
Designated transfer	18,313	134,209	152,522
Deductions:			
Net position released from restrictions	(351,455)	-	(351,455)
Increase in net position	163,656	1,106,096	1,269,752
End of year	$ 3,211,071	$ 13,373,807	$ 16,584,878

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 organizations must hold in perpetuity or for a donor-specified period as well as board-designated funds.

The Board of Trustees through its Investment Committee has adopted a specific investment objective for the Foundation. The investment objective is to invest all endowments 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 2014 was 4.5%. The rate for 2015 has been set at 4.25%.

F – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of all applicable asset and liability financial instruments reported in the statements of assets, liabilities and net position approximate their fair values at December 31, 2014 and 2013. Fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties.

The Foundation has categorized its financial instruments, based on the priority of inputs used in related valuation techniques, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

F – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 (including net position value) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy of investments at December 31, 2014 follows:

	2014				2013
	Level 1	Level 2	Level 3	Total	Total
Fixed income securities	$ -	$ 1,794,634	$ -	$ 1,794,634	$ 1,708,448
Mutual funds	5,400,706	-	-	5,400,706	4,902,272
Marketable securities	8,935,799	-	-	8,935,799	8,469,035
Total	$ 14,336,505	$ 1,794,634	$ -	$ 16,131,139	$ 15,079,755

G – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTION

By agreement, the Alamo Colleges provide administrative support for the Foundation activities at a level determined by the Alamo Colleges to be appropriate, but only to the extent of availability of funds within the Alamo Colleges' budget. Administrative support provided includes office space for an executive director and staff for the Foundation. The total support provided by the Alamo Colleges to the Foundation in the fiscal years ended December 31, 2014 and 2013 was valued at approximately $551,206 and $506,237, respectively, and was included in the financial statements as unrestricted in-kind revenue.

From time to time the Foundation remits scholarship funds to the Alamo Colleges to cover tuition, books, and other student fees for specified students of the Alamo Colleges. During the years ended December 31, 2014 and 2013, the Foundation remitted the total of $1,737,330 and $1,488,883 to the Alamo Colleges to fund approximately 1,900 and 1,400 scholarships respectively.

The total scholarship funds due from the Foundation to the Alamo Colleges at December 31, 2014 and 2013 was $32,940 and $64,676, respectively. These amounts have been included in the due to affiliate balances in the accompanying financial statements.

H – FUTURE COMMITMENTS

At December 31, 2014, outstanding donor match commitments for the next five years and thereafter are as follows:

Year ended December 31,	
2014	$ 25,000
2015	25,000
2016	25,000
2017	25,000
2018	25,000
Thereafter	50,000
Total	$ 175,000

I - COMMITMENTS

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

J – RESTRICTED TITLE 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, 2014 and 2013 were as follows:

	2014	2013
Undesignated/unrestricted net position	$ 128,339	$ 147,762

L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued. No changes are necessary to be made to the financial statements as a result of this evaluation.

24. ACCD PUBLIC FACILITY CORPORATION - DISCRETE COMPONENT UNIT

The following footnotes are from the ACCD Public Facility Corporation's (PFC) financial statements for the years ended August 31, 2015 and 2014:

A – REPORTING ENTITY

The 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 Alamo Community College District (the "District") in financing, refinancing, or providing public facilities and is a component unit of the District.

A – REPORTING ENTITY (continued)

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, 2015, 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, 2015 and 2014.

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.

C - CAPITAL ASSETS

Capital assets consist of land and therefore no depreciation is required. Activity for the years ended August 31, 2015 and 2014 was as follows:

	Balance 9/1/13	Increases	Decreases	Balance 8/31/14	Increases	Decreases	Balance 8/31/15
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 $246,667 and $163,710 at August 31, 2015 and 2014, respectively, payable at maturity.

As of August 31, 2015, noncurrent liabilities are $3,948,667 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/1/14	Additions	Reductions	Balance 8/31/15	Current Portion
Note payable	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -
Unearned lease revenue	1,750,000	-	24,000	1,726,000	24,000
Interest payable	163,710	82,957	-	246,667	-
Total noncurrent liabilities	$ 3,913,710	$ 82,957	$ 24,000	$ 3,972,667	$ 24,000

As of August 31, 2014, noncurrent liabilities are $3,889,710 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/1/13	Additions	Reductions	Balance 8/31/14	Current Portion
Note payable	$ 2,000,000	$ -	$ -	$ 2,000,000	$ -
Unearned lease revenue	1,774,000	-	24,000	1,750,000	24,000
Interest payable	85,908	77,802	-	163,710	-
Total noncurrent liabilities	$ 3,859,908	$ 77,802	$ 24,000	$ 3,913,710	$ 24,000

E - INCOME TAXES

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

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. 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, 2015 and 2014. 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
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule of District's Proportionate Share of Net Pension Liability
For the Year Ended August 31, 2015

Fiscal year ending August 31*,		**2015****
District's proportionate share of collective net pension liability (%)		0.1814061%
District's proportionate share of collective net pension liability ($)	$	48,456,078
State's proportionate share of net pension liability associated with District		25,023,180
Total	$	73,479,258
District's covered-employee payroll	$	101,833,288
District's proportionate share of collective net pension liability as a percentage of covered-employee payroll		47.58%
Plan fiduciary net position as percentage of the total pension liability		83.25%

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule of District Contributions
For the Year Ended August 31, 2015

Fiscal year ending August 31*,		**2015****
Legally required contributions	$	4,823,677
Actual contributions		4,823,677
Contributions deficiency (excess)		-
District's covered-employee payroll amount	$	109,267,415
Contributions as a percentage of covered-employee payroll		4.41%

* The amounts presented above are as 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.

Supplementary Information

ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2015
With Memorandum Totals for the Year Ended August 31, 2014

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY15 Total	FY14 Total
OPERATING REVENUES:						
Tuition						
State funded courses						
In District resident tuition	$ 71,424,115	$ -	$ 71,424,115	$ -	$ 71,424,115	$ 73,375,037
Out of District resident tuition	22,018,240	-	22,018,240	-	22,018,240	21,359,211
Non-resident tuition	6,913,337	-	6,913,337	-	6,913,337	7,001,764
TPEG - credit set aside*	5,609,956	-	5,609,956	-	5,609,956	4,821,456
State-funded continuing education	1,806,092	-	1,806,092	-	1,806,092	1,918,270
TPEG - Non-credit set aside*	546,015	-	546,015	-	546,015	239,210
Non-State funded continuing education	4,184,325	-	4,184,325	-	4,184,325	1,372,098
Total tuition	112,502,080	-	112,502,080	-	112,502,080	110,087,046
Fees						
Other	5,673,585	-	5,673,585	-	5,673,585	6,783,483
Total fees	5,673,585	-	5,673,585	-	5,673,585	6,783,483
Total tuition and fees	118,175,665	-	118,175,665	-	118,175,665	116,870,529
Allowances and discounts						
Institutional allowances and scholarships	(2,427,987)	-	(2,427,987)	-	(2,427,987)	(1,960,080)
Remissions and exemptions - state	(4,380,971)	-	(4,380,971)	-	(4,380,971)	(4,548,655)
Remissions and exemptions - local - dual credit	(14,708,705)	-	(14,708,705)	-	(14,708,705)	(13,647,666)
Federal grants to students	-	(31,958,366)	(31,958,366)	-	(31,958,366)	(32,546,388)
TPEG awards	-	(2,074,635)	(2,074,635)	-	(2,074,635)	(1,319,486)
State grants to students	-	(2,045,227)	(2,045,227)	-	(2,045,227)	(1,794,914)
Other local awards	-	(2,390,091)	(2,390,091)	-	(2,390,091)	(2,252,284)
Total allowances and discounts	(21,517,663)	(38,468,319)	(59,985,982)	-	(59,985,982)	(58,069,473)
Total net tuition and fees	96,658,002	(38,468,319)	58,189,683	-	58,189,683	58,801,056
Other operating revenues						
Federal grants and contracts	507,102	11,271,386	11,778,488	-	11,778,488	12,765,892
State grants and contracts	-	3,947,810	3,947,810	-	3,947,810	4,065,764
Local grants and contracts	918,206	378,742	1,296,948	-	1,296,948	1,446,196
Non-governmental grants and contracts	5,573	407,270	412,843	-	412,843	539,737
Other operating revenues	3,394,709	9,948	3,404,657	-	3,404,657	2,829,815
Total other operating revenues	4,825,590	16,015,156	20,840,746	-	20,840,746	21,647,404
Sales and services of auxiliary enterprises						
Bookstore commission	-	-	-	1,021,800	1,021,800	998,883
Palo Alto College natatorium	-	-	-	445,710	445,710	346,278
Day care centers	-	-	-	711,002	711,002	739,512
Vending machines/copiers	-	-	-	329,765	329,765	339,644
Parking access and fines	-	-	-	2,172,557	2,172,557	2,571,119
Other	-	-	-	247,679	247,679	141,170
Total sales and services of auxiliary enterprises				4,928,513	4,928,513	5,136,606
Total operating revenues	$ 101,483,592	$ (22,453,163)	$ 79,030,429	$ 4,928,513	$ 83,958,942	$ 85,585,066
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, $6,155,971 and $5,060,666 for the years August 31, 2015 and 2014, respectively, of tuition was set aside for the Texas Public Education Grant.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2015
With Memorandum Totals for the Year Ended August 31, 2014

	Operating Expenses					
	Salaries	Benefits		Other	FY15	FY14
	and Wages	State	Local	Expenses	Total	Total
Unrestricted - educational activities						
Instruction	$ 82,569,321	$ -	$ 14,678,925	$ 15,041,992	$ 112,290,238	$ 112,418,073
Public service	389,940	-	77,245	793,222	1,260,407	1,615,348
Academic support	13,702,211	-	2,720,989	5,169,156	21,592,356	21,608,418
Student services	24,580,462	-	5,123,403	8,195,169	37,899,034	33,013,181
Institutional support	32,569,883	-	6,175,996	20,464,423	59,210,302	59,344,209
Operation and maintenance of plant	6,677,014	-	2,400,492	27,046,555	36,124,061	36,789,530
Scholarships and fellowships	-	-	-	253,730	253,730	308,442
Total unrestricted educational activities	160,488,831	-	31,177,050	76,964,247	268,630,128	265,097,201
Restricted - educational activities						
Instruction	2,440,215	6,319,637	553,318	4,124,702	13,437,872	13,463,557
Public service	-	34,453	-	21,299	55,752	22,385
Academic support	1,063,977	1,278,732	222,234	953,077	3,518,020	3,053,607
Student services	2,080,169	2,378,191	183,235	430,292	5,071,887	3,761,269
Institutional support	1,037,178	4,089,413	230,671	627,102	5,984,364	5,886,377
Operation and maintenance of plant	-	-	-	357	357	908
Scholarships and fellowships	-	-	-	57,108,495	57,108,495	58,596,099
Total restricted educational activities	6,621,539	14,100,426	1,189,458	63,265,324	85,176,747	84,784,202
Total educational activities	167,110,370	14,100,426	32,366,508	140,229,571	353,806,875	349,881,403
Auxiliary enterprises - unrestricted	767,730	-	215,450	666,626	1,649,806	1,391,362
Auxiliary enterprises - restricted	-	-	-	72,550	72,550	280,813
Depreciation expense - buildings	-	-	-	27,782,569	27,782,569	27,520,856
Depreciation expense - equipment	-	-	-	3,734,503	3,734,503	4,629,919
Total operating expenses	$ 167,878,100	$ 14,100,426	$ 32,581,958	$ 172,485,819	$ 387,046,303	$ 383,704,353
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2015
With Memorandum Totals for the Year Ended August 31, 2014

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY15 Total	FY14 Total
NON-OPERATING REVENUES:						
State appropriations						
Education and general state support	$ 63,440,459	$ -	$ 63,440,459	$ -	$ 63,440,459	$ 63,440,918
State group insurance	-	10,664,650	10,664,650	-	10,664,650	9,936,318
State retirement match	-	3,435,777	3,435,777	-	3,435,777	3,642,742
Ad valorem taxes						
Taxes for maintenance and operations	119,772,762	-	119,772,762	-	119,772,762	110,490,520
Taxes for maintenance and operations-MTN	19,117,242	-	19,117,242	-	19,117,242	16,299,867
Taxes for debt service	-	28,916,338	28,916,338	-	28,916,338	30,931,011
Federal revenue, non-operating	-	82,691,427	82,691,427	-	82,691,427	84,282,146
State revenue, non-operating	-	7,062,622	7,062,622	-	7,062,622	4,391,725
Gifts	66,823	1,274,734	1,341,557	-	1,341,557	1,658,072
Investment income	768,135	6,483	774,618	-	774,618	1,027,366
Total non-operating revenues	203,165,421	134,052,031	337,217,452	-	337,217,452	326,100,685
NON-OPERATING EXPENSES:						
Interest on capital related debt	-	(18,560,788)	(18,560,788)	-	(18,560,788)	(19,597,151)
Interest on capital related debt-MTN	-	(4,807,242)	(4,807,242)	-	(4,807,242)	(5,464,867)
Loss on disposal of capital assets	-	(67,749)	(67,749)	-	(67,749)	(144,454)
Other non-operating expenses	-	(2,215,836)	(2,215,836)	-	(2,215,836)	(5,319,783)
Total non-operating expenses	-	(25,651,615)	(25,651,615)	-	(25,651,615)	(30,526,255)
Net non-operating revenues	$ 203,165,421	$ 108,400,416	$ 311,565,837	$ -	$ 311,565,837	$ 295,574,430
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2015
With Memorandum Totals for the Year Ended August 31, 2014

	Detail by Source					Available for Current Operations	
		Restricted		Capital Assets Net of Depreciation			
	Unrestricted	Expendable	Non-Expendable	& Related Debt	Total	Yes	No
Current:							
Unrestricted	$ 6,908,251	$ -	$ -	$ -	$ 6,908,251	$ 6,908,251	$ -
Board-designated	3,208,250	-	-	-	3,208,250	-	3,208,250
Restricted	-	13,180,687	-	-	13,180,687	-	13,180,687
Auxiliary enterprises	5,897,271	-	-	-	5,897,271	5,897,271	-
Loan	203,259	-	-	-	203,259	-	203,259
Plant:							
Unexpended	7,221,800	-	-	-	7,221,800	-	7,221,800
Renewals	2,591,278	-	-	-	2,591,278	-	2,591,278
Debt service	-	11,060,012	-	-	11,060,012	-	11,060,012
Investment in plant	-	-	-	188,809,909	188,809,909	-	188,809,909
Total net position, August 31, 2015	$ 26,030,109	$ 24,240,699	$ -	$188,809,909	$239,080,717 (Exhibit 1)	$ 12,805,522	$226,275,195
Total net position, September 1, 2014, as restated (Note 2)	31,321,589	18,632,902	-	180,647,750	230,602,241 (Exhibit 1)	16,437,283	214,164,958
Cumulative effect of change in accounting principle (Note 2)	(54,900,938)	-	-	-	(54,900,938) (Note 2)	(54,900,938)	-
Total net position, August 31, 2014, as previously reported	86,222,527	18,632,902	-	180,647,750	285,503,179 (Exhibit 1)	71,338,221	214,164,958
Net increase (decrease) in net position	$ (5,291,480)	$ 5,607,797	$ -	$ 8,162,159	$ 8,478,476 (Exhibit 2)	$ (3,631,761)	$ 12,110,237

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007		$ 1,175,569
Federal Work-Study Program	84.033		1,303,248
Federal Pell Grant Program	84.063		80,449,355
Federal Direct Student Loans	84.268		27,700,139
Total Student Financial Assistance Cluster			110,628,311
TRIO Cluster			
TRIO_Student Support Services	84.042		299,017
TRIO_Upward Bound	84.047		1,102,766
Total TRIO Cluster			1,401,783
Other Direct Programs:			
Higher Education_Institutional Aid	84.031		4,525,354
Fund for the Improvement of Postsecondary Education	84.116		27,612
Minority Science and Engineering Improvement	84.120		60,598
Child Care Access Means Parents in School	84.335		284,200
Total Direct Programs			116,927,858
Pass-Through From:			
Texas Workforce Commission			
Adult Education - Basic Grants to States	84.002	2015AEL000	99,155
Pass-Through From:			
Education Service Center Region 20			
Adult Education - Basic Grants to States	84.002		364,510
Texas A & M University			
Adult Education - Basic Grants to States	84.002	2914AEL000	67,953
Total CFDA 84.002			531,618
Our Lady of the Lake University			
Higher Education_Institutional Aid	84.031	EXITOS	181,958
Texas Higher Education Coordinating Board			
Career and Technical Education -- Basic Grants to States	84.048	13418	1,238,297
Career and Technical Education -- Basic Grants to States	84.048	13528	44,504
Career and Technical Education -- Basic Grants to States	84.048	13536	20,414
Career and Technical Education -- Basic Grants to States	84.048	114201	93
Total CFDA 84.048			1,303,308
Texas State University			
Minority Science and Engineering Improvement	84.120	15008-82244-1	17,984
TOTAL U.S. DEPARTMENT OF EDUCATION			**118,962,726**
U.S. DEPARTMENT OF AGRICULTURE			
Pass-Through From:			
Texas State University			
Hispanic Serving Institutions Education Grants	10.223	8000001640.3A - TSU	57,553
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	75N8022	27,772
TOTAL U.S. DEPARTMENT OF AGRICULTURE			**85,325**

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. DEPARTMENT OF LABOR			
Direct Program:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		$ 180,231
Pass-Through From:			
Texas Workforce Commission			
Employment Service/Wagner-Peyser Funded Activities	17.207	2015WPB001	127,500
WIA Cluster			
Texas Workforce Commission			
WIA Adult Program	17.258	2015AEL000	32,371
WIA/WIOA Dislocated Worker Formula Grants	17.278	2015ATP000	29,377
WIA/WIOA Dislocated Worker Formula Grants	17.278	2915WSW003	38,477
Total CFDA 17.278			67,854
Total WIA Cluster			100,225
TOTAL U.S. DEPARTMENT OF LABOR			**407,956**
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Direct Program:			
Promotion of the Arts_Grants to Organizations and Individuals	45.024		8,947
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			**8,947**
NATIONAL SCIENCE FOUNDATION			
Direct Program:			
Education and Human Resources	47.076		953,979
Pass-Through From:			
Texas A&M University			
Education and Human Resources	47.076	M1401786	18,275
Wright State University			
Education and Human Resources	47.076	DUE-0817332	9,629
Research and Development Cluster			
Direct Program:			
Education and Human Resources	47.076		167,283
Pass-Through From:			
The University of Texas at San Antonio			
Education and Human Resources	47.076	26-1002-9061	7,099
Total Research and Development Cluster			174,382
TOTAL NATIONAL SCIENCE FOUNDATION			**1,156,265**

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Direct Programs:			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093		$ 997,051
Nursing Workforce Diversity	93.178		247
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		111,845
Pass-Through From:			
The University of Texas at Austin			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	12-001072	6,750
Texas Workforce Commission			
Temporary Assistance for Needy Families	93.558	2014TAN006	4,114
Temporary Assistance for Needy Families	93.558	2015ATP000	17,360
Temporary Assistance for Needy Families	93.558	2015SMP001	33,101
Pass-Through From:			
Education Service Center Region 20			
Temporary Assistance for Needy Families	93.558		29,015
Total CFDA 93.558			83,590
Texas State University			
Biomedical Research and Research Training	93.859	14001-82044-1	134,345
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			**1,333,828**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Pass-Through From:			
Public Allies Inc			
AmeriCorps	94.006	12EDHWI0010010	47,771
AmeriCorps	94.006	OP021-94.006-15-PASA	113,062
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			**160,833**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 122,115,880**

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

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2015

1. FEDERAL ASSISTANCE RECONCILIATION

Operating Revenues - federal grants and contracts - per Schedule A	$ 11,778,488
Add: Non - Operating Revenues - federal revenue, non-operating - per Schedule C	82,691,427
Total Federal Revenues per Schedule A and C	94,469,915
Reconciling Items:	
Add: Federal Direct Student Loans	27,700,139
Less: Federal contracts (Note 3 below)	54,174
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	$122,115,880

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

3. EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT

The District received a subcontract from ABT Associates Inc., for conducting an impact evaluation of the Health Profession Opportunity Grants funded by the U.S. Department of Health and Human Services.	$ 54,174

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, 2015 totaled $27,700,139 and are presented as current year federal expenditures.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Notes to Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2015

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

U.S. Department of Labor	
Passed through the Employment Service/Wagner-Peyser Funded Activities (CFDA 17.207) to:	
Texas Workforce Commission to:	
Texas Research & Technology Foundation	$ 127,500
National Science Foundation	
Passed through the Education and Human Resources (CFDA 47.076)to:	
Penn State University	12,841
Southwest Research Institute	10,000
U.S. Department of Education	
Passed through the Higher Education_Institutional Aid (CFDA 84.031)to:	
Sul Ross State University	539,424
U.S. Department of Health & Human Services	
Passed through Substance Abuse and Mental Health Services_Projects of Regional and National Significance(CFDA 93.243) to:	
San Antonio Fighting Back	80,000
Total	$ 769,765

6. NONCASH AWARDS

There were no federal noncash awards in fiscal year 2015 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, 2015

Grantor/Pass-Through Grantor/Program Title	Pass-Through Grantor's Number	Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Adult Basic Education Innovation Grant	10790	$ 979,625
Adult Basic Education Innovation Grant	6990	601
Total Adult Basic Education Innovation Grant		980,226
Alternative Teacher Certification Program	4060	425
Developmental Education Demonstration Project		160
Pathways	9953	9,531
Professional Nursing Shortage Reduction Program - Over 70 (FY 2012-2013)		(10,305)
Texas-Science, Technology, Engineering, and Math (T-STEM)	13957	537,050
Texas-Science, Technology, Engineering, and Math (T-STEM)	11234	11,895
Total Texas-Science, Technology, Engineering and Math (T-STEM)		548,945
Texas College Work Study		156,310
Texas Grant Initial		(890)
Texas Grant Renewal		998,324
Total Texas Grant Program		997,434
Texas Equalization Opportunity Grant Initial		4,776,914
Texas Equalization Opportunity Grant Renewal		1,131,964
Total Texas Equalization Opportunity Grant Program		5,908,878
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		**8,591,604**
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Apprenticeship Training Program	2015ATP000	52,942
Skills Development Fund	1113SDF004	1,272,642
Skills Development Fund	2013SDF000	69,932
Skills Development Fund	2014SDF000	232,594
Skills Development Fund	2014SDF001	176,966
Skills Development Fund	2014SDF003	231,348
Skills Development Fund	2015SDF000	46,610
Total Skills Development Fund		2,030,092
Skills for Small Business	2014SSD000	7
Texas Fast Start Program	2014GRF000	202,441
Pass-Through From:		
Education Service Center Region 20		
Adult Education & Literacy		68,120
TOTAL TEXAS WORKFORCE COMMISSION		**2,353,602**
TOTAL EXPENDITURES OF STATE AWARDS		**$ 10,945,206**

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

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule F
Notes to Schedule of Expenditures of State Awards
For the Year Ended August 31, 2015

1. STATE ASSISTANCE RECONCILIATION

Operating Revenues - state grants and contracts - per Schedule A	$ 3,947,810
Add: Non - Operating Revenues - state revenue, non-operating - per Schedule C	7,062,622
Total State Revenues per Schedule A and C	11,010,432
Reconciling Item:	
Less: State contracts (Note 3 below)	65,226
Total State Expenditures per Schedule of Expenditures of State Awards	$ 10,945,206

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 received two subcontracts from University of Texas Health Science Center at Houston for Improving Teacher Preparation funded by the Texas Education Agency.	$ 65,226

4. AMOUNTS PASSED THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT

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

Texas Higher Education Coordinating Board	
Passed through the Adult Basic Education Innovation Grant:	
Coastal Bend College	$157,927
Laredo Community College District	207,827
Southwest Texas Junior College	117,832
Victoria College	140,292
Total Texas Higher Education Coordinating Board	623,878
Texas Workforce Commission	
Passed through the Skills Development Fund Grant:	
Midland College	18,810
Odessa College	187,047
Rackspace Managed Hosting	13,915
Total passed through the Skills Development Fund Grant:	219,772
Passed through the Texas Fast Start Grant:	
Collin County Community College	81,523
Total Texas Workforce Commission	301,295
Total	$ 925,173

5. NONCASH AWARDS

There were no state noncash awards received in fiscal year 2015.

ALAMO
COLLEGES

Other Information – By Location
(Unaudited)

ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Revenues by Location
For the Year Ended August 31, 2015
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Tuition							
State funded courses							
In District resident tuition	$ -	$ 24,175,950	$ 12,271,315	$ 9,804,372	$ 20,431,228	$ 4,741,250	$ 71,424,115
Out of District resident tuition	-	5,590,946	5,813,162	4,024,520	3,389,440	3,200,172	22,018,240
Non-resident tuition	-	3,093,054	1,479,670	518,328	1,443,775	378,510	6,913,337
TPEG - credit set aside	-	2,134,589	965,615	822,188	1,417,940	269,624	5,609,956
State-funded continuing education	-	430,806	998,701	119,181	218,914	38,490	1,806,092
TPEG - non-credit set aside	-	122,375	160,778	100,569	63,165	99,128	546,015
Non-State funded continuing education	2,763,899	314,473	281,735	297,020	77,386	449,812	4,184,325
Total tuition	2,763,899	35,862,193	21,970,976	15,686,178	27,041,848	9,176,986	112,502,080
Fees							
Other	1,375,639	1,042,484	907,895	805,673	825,918	715,976	5,673,585
Total fees	1,375,639	1,042,484	907,895	805,673	825,918	715,976	5,673,585
Total tuition and fees	4,139,538	36,904,677	22,878,871	16,491,851	27,867,766	9,892,962	118,175,665
Allowances and discounts							
Institutional allowances and scholarships	(443,567)	(718,027)	(290,266)	(293,874)	(537,531)	(144,722)	(2,427,987)
Remissions and exemptions - state	-	(1,737,106)	(943,668)	(623,311)	(941,847)	(135,039)	(4,380,971)
Remissions and exemptions - local - dual credit	-	(3,366,978)	(4,543,205)	(2,651,380)	(3,401,314)	(745,828)	(14,708,705)
Federal grants to students	-	(12,930,833)	(5,731,481)	(5,026,474)	(8,269,578)	-	(31,958,366)
TPEG awards	-	(839,428)	(372,069)	(326,303)	(536,835)	-	(2,074,635)
State grants to students	-	(827,529)	(366,795)	(321,677)	(529,226)	-	(2,045,227)
Other local awards	(1,615,314)	(724,384)	(47,777)	(2,616)	-	-	(2,390,091)
Total allowances and discounts	(2,058,881)	(21,144,285)	(12,295,261)	(9,245,635)	(14,216,331)	(1,025,589)	(59,985,982)
Total net tuition and fees	2,080,657	15,760,392	10,583,610	7,246,216	13,651,435	8,867,373	58,189,683
Other operating revenues							
Federal grants and contracts	2,482,676	3,677,657	2,661,993	1,678,316	1,203,454	74,392	11,778,488
State grants and contracts	3,839,948	36,441	71,421	-	-	-	3,947,810
Local grants and contracts	1,011,348	275,955	5,983	1,529	584	1,549	1,296,948
Non-governmental grants and contracts	255,977	45,715	107,644	2,042	-	1,465	412,843
Other operating revenues	2,743,992	222,460	195,480	153,665	51,965	37,095	3,404,657
Total other operating revenues	10,333,941	4,258,228	3,042,521	1,835,552	1,256,003	114,501	20,840,746
Sales and services of auxiliary enterprises							
Bookstore commission	-	258,333	195,966	198,869	248,397	120,235	1,021,800
Palo Alto College natatorium	-	-	-	445,710	-	-	445,710
Day care centers	-	247,811	151,792	311,399	-	-	711,002
Vending machines/copiers	16,100	91,370	77,889	38,800	86,620	18,986	329,765
Parking permits and fines	30,839	820,128	314,541	259,360	623,404	124,285	2,172,557
Other	-	177,030	8,462	37,420	21,401	3,366	247,679
Total sales and services of auxiliary enterprises	46,939	1,594,672	748,650	1,291,558	979,822	266,872	4,928,513
Total operating revenues	$ 12,461,537	$ 21,613,292	$ 14,374,781	$ 10,373,326	$ 15,887,260	$ 9,248,746	$ 83,958,942

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Expenses by Location
For the Year Ended August 31, 2015
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	$ 4,063,722	$ 44,203,835	$ 26,667,409	$ 17,574,090	$ 23,224,988	$ 9,994,066	$ 125,728,110
Public service	-	1,190,019	126,140	-	-	-	1,316,159
Academic support	142,791	5,631,777	5,927,828	2,358,401	8,395,753	2,653,826	25,110,376
Student services	8,676,123	12,413,113	6,408,047	6,078,333	6,982,480	2,412,825	42,970,921
Institutional support	38,725,878	9,594,638	6,089,599	3,802,757	4,338,546	2,643,248	65,194,666
Operation and maintenance of plant	6,708,601	10,487,938	7,099,290	5,359,162	3,751,219	2,718,208	36,124,418
Scholarships and fellowships	200,965	21,709,849	10,252,373	10,405,316	14,793,722	-	57,362,225
Total educational activities	58,518,080	105,231,169	62,570,686	45,578,059	61,486,708	20,422,173	353,806,875
Auxiliary enterprises	-	185,351	190,797	1,233,662	41,795	70,751	1,722,356
Depreciation expense - building	863,926	6,983,071	6,816,450	5,050,042	4,645,512	3,423,568	27,782,569
Depreciation expense - equipment	1,202,140	594,589	1,256,705	288,977	263,547	128,545	3,734,503
Total operating expenses	$ 60,584,146	$ 112,994,180	$ 70,834,638	$ 52,150,740	$ 66,437,562	$ 24,045,037	$ 387,046,303

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Non-Operating Revenues and Expenses by Location
For the Year Ended August 31, 2015
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
NON-OPERATING REVENUES:							
State appropriations							
Education and general state support	$ -	$ 21,593,599	$ 11,701,202	$ 8,558,963	$ 16,298,712	$ 5,287,983	$ 63,440,459
State group insurance	1,942,668	3,077,297	1,889,785	1,232,972	1,761,918	760,010	10,664,650
State retirement match	1,301,752	808,010	456,273	313,593	395,227	160,922	3,435,777
Ad valorem taxes							
Taxes for maintenance and operations	19,717,033	34,520,314	25,549,675	19,523,813	10,863,667	9,598,260	119,772,762
Taxes for maintenance notes	14,746,963	1,131,810	963,962	746,027	978,857	549,623	19,117,242
Taxes for debt service	11,808,016	3,762,141	3,204,215	2,479,798	3,253,724	4,408,444	28,916,338
Federal revenue, non-operating	-	32,954,583	14,699,712	13,917,167	21,119,965	-	82,691,427
State revenue, non-operating	-	2,465,661	1,326,686	1,367,248	1,903,027	-	7,062,622
Gifts	22,894	1,094,618	29,488	193,235	1,322	-	1,341,557
Investment income	754,397	1,175	582	443	623	17,398	774,618
Total non-operating revenues	50,293,723	101,409,208	59,821,580	48,333,259	56,577,042	20,782,640	337,217,452
NON-OPERATING EXPENSES:							
Interest on capital related debt	(1,452,466)	(3,762,141)	(3,204,215)	(2,479,798)	(3,253,724)	(4,408,444)	(18,560,788)
Interest on maintenance tax notes	(436,963)	(1,131,810)	(963,962)	(746,027)	(978,857)	(549,623)	(4,807,242)
Loss on disposal of capital assets	(65,335)	11,431	(4,934)	-	-	(8,911)	(67,749)
Other non-operating expenses	(2,215,836)	-	-	-	-	-	(2,215,836)
Total non-operating expenses	(4,170,600)	(4,882,520)	(4,173,111)	(3,225,825)	(4,232,581)	(4,966,978)	(25,651,615)
Net non-operating revenues	$ 46,123,123	$ 96,526,688	$ 55,648,469	$ 45,107,434	$ 52,344,461	$ 15,815,662	$ 311,565,837

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Asset Types
For the Year Ended August 31, 2015
(Unaudited)

	Balance 9/1/2014	Additions	Deletions	Balance 8/31/2015
Land:				
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	4,660,135	598,954	-	5,259,089
North Central Campus	12,793,381	-	-	12,793,381
District offices	13,701,683	-	-	13,701,683
Total land	52,393,775	598,954	-	52,992,729
Buildings:				
San Antonio College	211,554,846	14,090,031	-	225,644,877
St. Philip's College	187,704,466	5,049,579	-	192,754,045
Palo Alto College	133,306,666	2,167,000	-	135,473,666
Northwest Vista College	131,691,726	-	-	131,691,726
Northeast Lakeview College	117,273,693	-	-	117,273,693
North Central Campus	-	-	-	-
District offices	28,665,840	737,683	-	29,403,523
Total buildings	810,197,237	22,044,293	-	832,241,530
Facility and land improvements:				
San Antonio College	24,198,885	3,055,148	-	27,254,033
St. Philip's College	21,413,015	-	-	21,413,015
Palo Alto College	20,236,377	100,344	-	20,336,721
Northwest Vista College	31,588,992	38,266	-	31,627,258
Northeast Lakeview College	16,530,899	-	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	6,526,335	-	-	6,526,335
Total facility and land improvements	120,690,223	3,193,758	-	123,883,981
Equipment:				
San Antonio College	7,468,122	303,496	312,052	7,459,566
St. Philip's College	12,094,798	493,997	73,148	12,515,647
Palo Alto College	2,299,180	143,139	211,593	2,230,726
Northwest Vista College	1,769,003	223,828	13,984	1,978,847
Northeast Lakeview College	861,987	-	48,435	813,552
North Central Campus	-	-	-	-
District offices	12,226,490	1,648,532	1,425,206	12,449,816
Total equipment	36,719,580	2,812,992	2,084,418	37,448,154
Software:				
San Antonio College	61,327	10,000	-	71,327
St. Philip's College	23,319	5,500	-	28,819
Palo Alto College	9,408	-	-	9,408
District wide	2,995,275	-	-	2,995,275
Total software	3,089,329	15,500	-	3,104,829
Library books:				
San Antonio College	6,270,175	33,507	99,575	6,204,107
St. Philip's College	4,746,897	3,002	-	4,749,899
Palo Alto College	3,900,015	627	14,550	3,886,092
Northwest Vista College	879,431	15,972	19,567	875,836
Northeast Lakeview College	555,027	69,799	-	624,826
Total library books	16,351,545	122,907	133,692	16,340,760
Works of art:				
San Antonio College	88,000	-	-	88,000
St. Philip's College	119,250	-	-	119,250
Palo Alto College	18,971	-	-	18,971
Total works of art	226,221	-	-	226,221
Construction in Progress:				
San Antonio College	13,394,132	-	13,394,132	-
St. Philip's College	4,898,452	-	4,898,452	-
Palo Alto College	41,735	-	41,735	-
Northwest Vista College	-	-	-	-
Northeast Lakeview College	-	-	-	-
North Central Campus	-	-	-	-
District offices	101,236	-	101,236	-
Total construction in progress	18,435,555	-	18,435,555	-
Grand total	$ 1,058,103,465	$ 28,788,404	$ 20,653,665	$ 1,066,238,204

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Location
For the Year Ended August 31, 2015
(Unaudited)

	Balance 9/1/2014	Additions	Deletions	Balance 8/31/2015
San Antonio College:				
Land	$ 11,578,670	$ -	$ -	$ 11,578,670
Buildings	211,554,846	14,090,031	-	225,644,877
Facility and land improvements	24,198,885	3,055,148	-	27,254,033
Equipment	7,468,122	303,496	312,052	7,459,566
Software	61,327	10,000	-	71,327
Library books	6,270,175	33,507	99,575	6,204,107
Works of art	88,000	-	-	88,000
Construction in progress	13,394,132	-	13,394,132	-
Total San Antonio College	274,614,157	17,492,182	13,805,759	278,300,580
St. Philip's College:				
Land	6,183,345	-	-	6,183,345
Buildings	187,704,466	5,049,579	-	192,754,045
Facility and land improvements	21,413,015	-	-	21,413,015
Equipment	12,094,798	493,997	73,148	12,515,647
Software	23,319	5,500	-	28,819
Library books	4,746,897	3,002	-	4,749,899
Works of art	119,250	-	-	119,250
Construction in progress	4,898,452	-	4,898,452	-
Total St. Philip's College	237,183,542	5,552,078	4,971,600	237,764,020
Palo Alto College:				
Land	1,759,561	-	-	1,759,561
Buildings	133,306,666	2,167,000	-	135,473,666
Facility and land improvements	20,236,377	100,344	-	20,336,721
Equipment	2,299,180	143,139	211,593	2,230,726
Software	9,408	-	-	9,408
Library books	3,900,015	627	14,550	3,886,092
Works of art	18,971	-	-	18,971
Construction in progress	41,735	-	41,735	-
Total Palo Alto College	161,571,913	2,411,110	267,878	163,715,145
Northwest Vista College:				
Land	1,717,000	-	-	1,717,000
Buildings	131,691,726	-	-	131,691,726
Facility and land improvements	31,588,992	38,266	-	31,627,258
Equipment	1,769,003	223,828	13,984	1,978,847
Library books	879,431	15,972	19,567	875,836
Construction in progress	-	-	-	-
Total Northwest Vista College	167,646,152	278,066	33,551	167,890,667
Northeast Lakeview College:				
Land	4,660,135	598,954	-	5,259,089
Buildings	117,273,693	-	-	117,273,693
Facility and land improvements	16,530,899	-	-	16,530,899
Equipment	861,987	-	48,435	813,552
Library books	555,027	69,799	-	624,826
Construction in progress	-	-	-	-
Total Northeast Campus	139,881,741	668,753	48,435	140,502,059
North Central Campus:				
Land	12,793,381	-	-	12,793,381
Buildings	-	-	-	-
Facility and land improvements	195,720	-	-	195,720
Equipment	-	-	-	-
Construction in progress	-	-	-	-
Total North Central Campus	12,989,101	-	-	12,989,101
District offices:				
Land	13,701,683	-	-	13,701,683
Buildings	28,665,840	737,683	-	29,403,523
Facility and land improvements	6,526,335	-	-	6,526,335
Equipment	12,226,490	1,648,532	1,425,206	12,449,816
Software	2,995,275	-	-	2,995,275
Construction in progress	101,236	-	101,236	-
Total District offices	64,216,859	2,386,215	1,526,442	65,076,632
Grand total	$ 1,058,103,465	$ 28,788,404	$ 20,653,665	$ 1,066,238,204

ALAMO
COLLEGES

Statistical Supplement
(Unaudited)

ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Section Introduction

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets	$ 188,810	$ 180,647	$ 170,255	$ 163,742	$ 179,050	$ 182,572	$ 181,568	$ 172,395	$ 155,641	$ 124,927
Restricted - nonexpendable	-	-	-	-	-	-	-	1,299	1,298	1,298
Restricted - expendable	24,241	18,633	16,410	12,963	11,339	11,212	10,256	13,185	7,050	8,466
Unrestricted	26,030	86,223	101,383	101,913	83,693	83,547	82,033	91,556	82,283	66,114
Total	239,081	285,503	288,048	278,618	274,082	277,331	273,857	278,435	246,272	200,805
Net position, beginning of year*	285,503	288,048	278,618	274,082	277,331	273,857	278,435	246,272	200,805	185,906
Cumulative effect of change in accounting principle (Note 2)	(54,901)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net position, beginning of year, as restated (Note 2)	230,602	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Increase (decrease) in net position	$ 8,479	$ (2,545)	$ 9,430	$ 4,536	$ (3,249)	$ 3,474	$ (4,578)	$ 32,163	$ 45,467	$ 14,899

*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. See Note 2.

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,																			
	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
Tuition and fees (net of discounts)	$ 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%	$ 49,198	14.4%	$ 45,344	15.6%
Governmental grants and contracts																				
Federal grants and contracts	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%	14,032	4.1%	13,514	4.7%
State grants and contracts	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%	3,169	0.9%	3,382	1.2%
Local grants and contracts	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%	897	0.3%	663	0.2%
Non-governmental grants and contracts	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%	787	0.2%	636	0.2%
Investment income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4	0.0%	19	0.0%	158	0.0%	184	0.1%	159	0.1%
Auxiliary enterprises	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%	3,754	1.1%	3,622	1.2%
Other operating revenue	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%	2,167	0.6%	2,050	0.7%
Total operating revenues	83,959	19.9%	85,586	20.8%	95,929	23.2%	96,940	23.2%	81,358	19.1%	91,922	21.0%	81,224	20.7%	78,648	20.9%	74,188	21.7%	69,370	23.9%
State appropriation	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%	83,500	24.5%	82,245	28.3%
Ad valorem taxes	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%	103,779	30.5%	72,885	25.3%
Federal revenue, non-operating	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%	56,703	16.6%	55,548	19.1%
State revenue, non-operating	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%	2,752	0.8%	2,994	1.0%
Gifts	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%	581	0.2%	549	0.2%
Investment income	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%	19,613	5.7%	6,520	2.2%
Other non-operating revenues	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	48	0.0%	4	0.0%
Total non-operating revenues	337,218	80.1%	326,100	79.2%	317,675	76.8%	319,590	76.8%	347,103	80.9%	345,397	79.0%	314,268	79.3%	295,016	79.1%	266,976	78.3%	220,745	76.1%
Total revenues	$ 421,177	100.0%	$ 411,686	100.0%	$ 413,604	100.0%	$ 416,530	100.0%	$ 428,461	100.0%	$ 437,319	100.0%	$ 395,492	100.0%	$ 373,664	100.0%	$ 341,164	100.0%	$ 290,115	100.0%

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,																			
	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
Instruction	$ 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%	$ 116,588	39.4%	$ 113,581	41.4%
Public service	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%	891	0.3%	1,129	0.4%
Academic support	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%	19,693	6.7%	18,315	6.7%
Student services	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%	30,326	10.2%	27,498	10.0%
Institutional support	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%	40,131	13.6%	39,034	14.2%
Operation and maintenance of plant	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%	19,485	6.6%	18,986	6.9%
Scholarships and fellowships	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%	37,913	12.8%	37,593	13.7%
Auxiliary enterprises	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%	2,161	0.7%	1,863	0.7%
Depreciation	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%	10,601	3.6%	9,779	3.6%
Total operating expenses	387,046	93.8%	383,706	92.7%	377,530	91.2%	370,219	91.4%	401,819	93.1%	400,030	92.2%	351,379	88.2%	301,748	88.1%	277,789	93.9%	267,778	97.6%
Interest on capital related debt	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%	14,993	5.1%	6,656	2.4%
Other non-operating expenses	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%	2,773	0.8%	-	0.0%
Loss on disposal of capital assets	68	0.0%	144	0.0%	348	0.1%	129	0.0%	232	0.1%	662	0.2%	35	0.0%	419	0.1%	499	0.2%	66	0.0%
Total non-operating expenses	25,652	6.2%	30,525	7.3%	36,378	8.8%	35,238	8.6%	29,940	6.9%	33,864	7.8%	47,418	11.8%	40,303	11.9%	18,265	6.1%	6,722	2.4%
Total expenses	$ 412,698	100.0%	$ 414,231	100.0%	$ 413,908	100.0%	$ 405,457	100.0%	$ 431,759	100.0%	$ 433,894	100.0%	$ 398,797	100.0%	$ 342,051	100.0%	$ 296,054	100.0%	$ 274,500	100.0%

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

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

Academic Year (Fall)	Registration Fee (per student)**	In-District Tuition*	Out-of District Tuition*	Student Activity Fees	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
Fall 2014	$ -	$ 69.00	$ 185.00	$ 12.00	$ -	$ -	$ -	$ -	$ 843.00	$ 2,228.00	0.00%	0.00%
Fall 2013	-	69.00	185.00	12.00	-	-	-	-	843.00	2,228.00	0.00%	0.00%
Fall 2012	-	69.00	185.00	12.00	-	-	-	-	843.00	2,228.00	2.93%	49.43%
Fall 2011	-	56.00	112.00	12.00	135.00	-	-	-	819.00	1,491.00	4.87%	4.78%
Fall 2010	-	53.50	107.00	12.00	127.00	-	-	-	781.00	1,423.00	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%
Fall 2006	12.00	42.00	84.00	12.00	115.00	12.00	24.00	4.00	683.00	1,187.00	6.72%	5.98%
Fall 2005	11.00	40.00	80.00	-	110.00	11.00	24.00	4.00	640.00	1,120.00	5.09%	5.16%

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

Academic Year (Fall)	Registration Fee (per student)**	Non-Resident Tuition Out-of-State*	Student Activity Fees	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2014	$ -	$ 358.00	$ 12.00	$ -	$ -	$ -	$ -	$ 4,304.00	0.00%
Fall 2013	-	358.00	12.00	-	-	-	-	4,304.00	0.00%
Fall 2012	-	358.00	12.00	-	-	-	-	4,304.00	51.82%
Fall 2011	-	224.00	12.00	135.00	-	-	-	2,835.00	4.73%
Fall 2010	-	214.00	12.00	127.00	-	-	-	2,707.00	5.13%
Fall 2009	-	203.00	12.00	127.00	-	-	-	2,575.00	10.56%
Fall 2008	-	183.00	12.00	121.00	-	-	-	2,329.00	-1.36%
Fall 2007	13.00	176.00	12.00	121.00	13.00	24.00	66.00	2,361.00	4.61%
Fall 2006	12.00	168.00	12.00	115.00	12.00	24.00	66.00	2,257.00	5.37%
Fall 2005	11.00	160.00	-	110.00	11.00	24.00	66.00	2,142.00	5.31%

* 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
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
2006-07	82,475,118,571	5,436,124,534	77,038,994,037	93.41%	0.09230	0.04475	0.13705
2005-06	71,820,993,201	4,472,598,640	67,348,394,561	93.77%	0.09230	0.01475	0.10705

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

TAV Is Assessed Value less Exemptions and Assessed Value of Tax Increment Reinvestment Zones.

ALAMO COMMUNITY COLLEGE DISTRICT

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

	Appropriation per FTSE			Appropriation per Contact Hour			
Fiscal Year	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours (b)	State Appropriation per Contact
2014-15	$ 63,440,469	35,586	1,783	15,931,584	3,496,704	19,428,288	3.27
2013-14	63,440,918	36,031	1,761	16,338,384	3,976,102	20,314,486	3.12
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	18,457,248	4,625,147	23,082,395	2.86
2010-11	65,658,472	39,162	1,677	18,279,984	4,782,252	23,062,236	2.85
2009-10	69,233,873	41,077	1,685	18,845,612	5,065,508	23,911,120	2.90
2008-09	67,846,696	36,254	1,871	16,578,880	4,564,484	21,143,364	3.21
2007-08	67,846,696	34,173	1,985	15,499,262	4,479,415	19,978,677	3.40
2006-07	65,409,379	33,531	1,951	15,057,632	4,567,944	19,625,576	3.33
2005-06	65,746,811	33,249	1,977	14,771,648	4,760,436	19,532,084	3.37

Notes: FTSE (Full-time Student Equivalent):
Semester credit hours divided by 30 plus non-semester (continuing education) credit hours divided by 900

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

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

FY 2013-14 - FTSE and Contact Hours are preliminary as Summer 2014 is not certified.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Taxable Assessed Value (TAV) ($000 omitted)

Tax Payer	2014	2013	2012	2011	2010	2009	2008	2007	2006*	2005
HEB Grocery Company LP	$ 1,119,370	$ 1,090,006	$ 1,025,290	$ 968,937	$ 957,372	$ 915,618	$ 860,947	$ 835,417	$ 734,917	$ 684,385
Methodist Healthcare Systems SA LTD LLP	573,090	540,523	532,699	518,606	455,263	451,594	470,840	239,580	220,975	209,712
Toyota Motor Mfg Texas Inc.	560,473	554,647	523,666	542,971	447,437	541,478	-	636,047	182,767	-
Wal-Mart Stores, Inc.	552,930	512,390	400,886	396,639	384,171	-	371,620	355,246	340,767	327,050
VHS San Antonio Partners LP	501,719	469,526	359,878	404,509	375,935	375,477	390,814	295,830	251,811	184,637
Southwestern Bell Telephone	337,247	351,030	391,280	412,841	423,199	408,853	496,917	546,653	568,534	524,283
USAA	313,438	309,922	323,095	339,064	336,394	343,721	346,117	338,676	334,521	307,044
Halliburton Energy Services, Inc.	309,888	-	-	-	-	-	-	-	-	-
Microsoft Corporation	273,326	322,193	340,011	343,633	334,968	-	-	-	-	-
La Cantera Speciality Retail LTD Partnership	272,081	228,526	221,968	212,394	238,190	263,640	-	-	-	-
SA Real Estate LLLP	-	220,992	224,013	264,078	266,758	-	-	-	-	-
Frost National Bank	-	-	-	-	-	209,948	186,581	-	174,828	165,252
Marriott Hotel Properties	-	-	-	-	-	171,581	188,615	-	-	-
Frankel Family Trust	-	-	-	-	-	199,812	194,134	-	-	-
Time Warner Cable San Antonio LP (Paragon)	-	-	-	-	-	-	-	185,569	178,019	177,002
Alamo Stonecrest Holdings	-	-	-	-	-	-	-	-	-	144,910
Inland Western San Antonio Academy LP	-	-	-	-	-	-	-	-	-	143,372
New River Center Mall LP	-	-	-	-	-	-	-	209,062	178,977	-
MBS-Colonnade Ltd	-	-	-	-	-	-	215,664	223,505	-	-
	$ 4,813,562	$ 4,599,755	$ 4,342,786	$ 4,403,671	$ 4,219,687	$ 3,881,722	$ 3,722,249	$ 3,865,585	$ 3,166,116	$ 2,867,647
Total Taxable Assessed Value	$ 114,703,126	$ 106,941,906	$ 101,560,843	$ 99,749,407	$ 99,275,859	$ 100,688,758	$ 99,836,254	$ 90,069,052	$ 77,038,994	$ 67,348,395

% of Taxable Assessed Value (TAV)

Tax Payer	2014	2013	2012	2011	2010	2009	2008	2007	2006*	2005
HEB Grocery Company LP	0.98%	1.02%	1.01%	0.97%	0.96%	0.91%	0.86%	0.93%	0.95%	1.02%
Methodist Healthcare Systems SA LTD LLP	0.50%	0.51%	0.52%	0.52%	0.46%	0.45%	0.47%	0.27%	0.29%	0.31%
Toyota Motor Mfg Texas Inc.	0.49%	0.52%	0.52%	0.54%	0.45%	0.54%	0.00%	0.71%	0.24%	0.00%
Wal-Mart Stores, Inc.	0.48%	0.48%	0.39%	0.40%	0.39%	0.00%	0.37%	0.39%	0.44%	0.49%
VHS San Antonio Partners LP	0.44%	0.44%	0.35%	0.41%	0.38%	0.37%	0.39%	0.33%	0.33%	0.27%
Southwestern Bell Telephone	0.29%	0.33%	0.39%	0.41%	0.43%	0.41%	0.50%	0.61%	0.74%	0.78%
USAA	0.27%	0.29%	0.32%	0.34%	0.34%	0.34%	0.35%	0.38%	0.43%	0.46%
Halliburton Energy Services, Inc.	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Microsoft Corporation	0.24%	0.30%	0.33%	0.34%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%
La Cantera Speciality Retail LTD Partnership	0.24%	0.21%	0.22%	0.21%	0.24%	0.26%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	0.00%	0.21%	0.22%	0.26%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
Frost National Bank	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.19%	0.00%	0.23%	0.25%
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%	0.19%	0.00%	0.00%	0.00%
Frankel Family Trust	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.19%	0.00%	0.00%	0.00%
Time Warner Cable San Antonio LP (Paragon)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.23%	0.26%
Alamo Stonecrest Holdings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%
Inland Western San Antonio Academy LP	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%	0.23%	0.23%	0.00%
MBS-Colonnade Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.25%	0.00%	0.00%
	4.20%	4.30%	4.28%	4.41%	4.25%	3.86%	3.73%	4.29%	4.11%	4.26%

Source: Bexar County Appraisal District

Fiscal Year corresponds to prior Tax Year

Taxable value is from most current Certified Supplement

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended Aug 31	Original Year Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections Year of Original Levy (c)	%	Prior Collections of Prior Levies (d)	Current Year Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2015	$ 168,691,852	$ (1,733,784)	$ 166,958,068	$ 165,010,702	98.83%	$ -	$ -	$ 165,010,702	98.83%
2014	157,087,439	(1,679,310)	155,408,129	154,114,745	99.17%	-	418,870	154,533,615	99.44%
2013	148,541,205	(1,294,210)	147,246,995	145,758,928	98.99%	665,510	187,312	146,611,750	99.57%
2012	138,594,895	(937,014)	137,657,882	135,764,825	98.62%	1,188,462	193,794	137,147,081	99.63%
2011	137,908,286	(1,286,676)	136,621,610	134,739,175	98.62%	1,307,767	140,107	136,187,049	99.68%
2010	134,340,094	(1,760,473)	132,579,621	130,767,468	98.63%	1,335,940	113,206	132,216,614	99.73%
2009	132,171,475	(1,558,163)	130,613,312	128,946,515	98.72%	1,289,074	56,903	130,292,492	99.75%
2008	117,688,619	(463,425)	117,225,194	115,629,413	98.64%	1,341,207	18,400	116,989,020	99.80%
2007	102,947,673	(418,062)	102,529,611	101,029,924	98.54%	1,290,380	11,994	102,332,298	99.81%
2006	72,091,494	(280,085)	71,811,409	70,608,797	98.33%	1,049,516	7,544	71,665,857	99.80%

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Year Ended August 31 (in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Bonded Debt										
General obligation bonds	$ 374,652	$ 384,644	$ 394,187	$ 392,045	$ 404,120	$ 411,719	$ 419,299	$ 430,393	$ 435,819	$ 75,154
Tax notes	109,816	125,261	138,976	143,825	151,955	108,025	106,155	116,010	39,410	40,320
Less: Funds restricted for debt service	6,444	5,808	5,788	5,467	5,315	4,633	3,016	3,420	2,297	1,626
Net general bonded debt	$ 478,024	$ 504,097	$ 527,375	$ 530,403	$ 550,760	$ 515,111	$ 522,438	$ 542,983	$ 472,932	$ 113,848
Other Debt										
Revenue bonds	$ 69,894	$ 74,829	$ 80,163	$ 78,095	$ 65,935	$ 69,495	$ 72,900	$ 76,180	$ 74,270	$ 67,645
Notes payable	15,923	17,162	12,727	-	-	-	207	690	1,145	1,605
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	$ 563,841	$ 596,088	$ 620,265	$ 608,498	$ 616,695	$ 584,606	$ 595,545	$ 619,853	$ 548,347	$ 183,098
General Bonded Debt Ratios										
Per capita	$ 257.57	$ 277.34	$ 295.33	$ 302.03	$ 324.61	$ 300.40	$ 316.35	$ 334.91	$ 297.65	$ 73.41
Per FTSE	13,433	13,991	14,312	13,555	14,064	12,540	14,161	15,813	14,148	3,515
As a percentage of taxable assessed value	0.42%	0.47%	0.52%	0.53%	0.55%	0.51%	0.53%	0.60%	0.61%	0.17%
Total Outstanding Debt Ratios										
Per capita	$ 303.82	$ 327.95	$ 347.35	$ 346.49	$ 363.47	$ 340.92	$ 360.62	$ 382.32	$ 345.11	$ 118.06
Per FTSE	15,844	16,544	16,833	15,550	15,747	14,232	16,143	18,052	16,404	5,653
As a percentage of taxable assessed value	0.49%	0.56%	0.61%	0.61%	0.62%	0.58%	0.60%	0.69%	0.71%	0.27%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time equivalent enrollment.
FTSE is calculated by Semester Credit hours divided by 30 plus non-semester (continuing education) hours divided by 900.

ALAMO COMMUNITY COLLEGE DISTRICT

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

General Obligation Bonds

For the Year Ended August 31	Net Taxable Assessed Value	Elected Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Service Requirements	Excess of Elected Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Elected Limit
2015	$ 114,703,126	$ 164,714	$ 6,444	$ 158,270	$ 26,920	$ 131,350	12.43%
2014	106,941,908	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%
2007	77,038,994	121,490	2,297	119,193	29,979	89,214	22.79%
2006	67,348,395	106,208	1,626	104,582	5,847	98,735	3.97%

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

Net Taxable Assessed Value based on most recent Supplement to the Certified Total (ARB Approved 2014 Supplement 146)

ALAMO COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

	Pledged Revenues ($000 omitted)						Debt Service Requirements ($000 omitted)			
Fiscal Year Ended August 31	Tuition	General Fee	Investment Income	Auxiliary Income	Total		Principal	Interest	Total	Coverage Ratio
2015	$ 21,032 (1)	$ -	$ 639	$ 4,246	$ 25,917		$ 4,655	$ 2,409	7,064	3.67
2014	21,435 (1)	-	513	4,672	26,620		5,055	2,448	7,503	3.55
2013	22,426 (1)	-	513	3,578	26,517		4,410	2,742	7,152	3.71
2012	17,496 (1)	18,337	465	3,843	40,141		3,715	1,513	5,228	7.68
2011	16,262 (1)	19,093	524	3,651	39,530		3,560	3,105	6,665	5.93
2010	18,407 (1)	19,319	1,634	4,053	43,413		3,405	3,255	6,660	6.52
2009	14,294 (1)	16,269	1,045	3,548	35,156		3,280	3,388	6,668	5.27
2008	14,315 (1)	15,209	4,272	3,501	37,297		3,240	3,434	6,674	5.59
2007	12,783 (1)	14,038	5,034	3,232	35,087		2,650	2,981	5,631	6.23
2006	11,790 (1)	13,038	3,194	2,826	30,848		2,415	3,216	5,631	5.48

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Calendar Year	District Population	District Personal Income (Thousands of Dollars)	District Personal Income Per Capita	District Annual Unemployment Rate
2014	1,855,866	$ 72,314,405 **	$ 39,395 **	4.6%
2013	1,817,610	73,366,879	40,702	6.0%
2012	1,785,704	68,567,177	38,398	6.6%
2011	1,756,153	63,532,926	36,177	7.6%
2010	1,723,561	59,911,913	34,761	7.4%
2009	1,685,628	56,378,379	33,447	6.7%
2008	1,651,709	57,947,289	35,083	4.8%
2007	1,588,905	55,567,978	34,972	4.2%
2006	1,550,921	51,728,440	33,353	4.7%
2005	1,511,506	47,759,064	31,597	5.1%

Source: Texas Workforce Commission, LMI Tracer, Data Link as of 08/04/15 Updated, US Census Bureau State and County Facts
** Data are estimates; updated data from Texas Workforce Commission have not been published.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Largest Employers	2015 (1)		2014 (2)		2013 (3)		2012 (4)		2011 (5)		2010 (6)		2009 (7)		2008 (8)		2007 (9)		2006 (10)	
Employer	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt	Number of Employees	% of Total Emplymnt
Lackland AFB	37,097	3.4%	37,097	3.7%	37,097	3.7%	37,097	3.7%	37,097	4.0%	28,100	3.1%	28,100	2.8%	33,893	4.0%	23,227	2.8%	35,700	4.6%
Fort Sam Houston - US Army	32,000	2.9%	32,000	3.2%	32,000	3.2%	32,000	3.2%	32,000	3.4%	30,793	3.4%	30,793	3.1%	15,200	1.8%	11,735	1.4%	26,100	3.4%
HEB Food Stores	20,000	1.8%	20,000	2.0%	20,000	2.0%	14,588	1.5%	14,588	1.6%	14,588	1.6%	14,588	1.5%	14,588	1.7%	14,588	1.8%	14,600	1.9%
USAA	17,000	1.5%	16,000	1.6%	17,000	1.7%	15,000	1.5%	14,832	1.6%	14,852	1.6%	14,852	1.5%	14,852	1.7%	14,258	1.7%	14,955	1.9%
Northside ISD	12,751	1.2%	12,751	1.3%	12,751	1.3%	12,751	1.3%	13,300	1.4%	12,597	1.4%	12,597	1.3%	12,810	1.5%	12,701	1.5%	10,000	1.3%
Randolph AFB	11,068	1.0%	11,068	1.1%	11,068	1.1%	11,068	1.1%	11,068	1.2%	10,700	1.2%	10,700	1.0%	10,733	1.3%	7,506	0.9%	10,733	1.4%
Northeast ISD	10,052	0.9%	10,052	1.0%	10,522	1.1%	10,522	1.1%	10,522	1.1%	10,223	1.1%	10,223	1.0%	8,360	1.0%	7,557	0.9%	7,847	1.0%
City of San Antonio	9,145	0.8%	9,145	0.9%	11,731	1.2%	9,145	0.9%	9,145	0.9%	9,000	1.0%	10,687	1.0%	9,830	1.1%	11,239	1.3%	9,813	1.3%
Methodist Healthcare System	8,118	0.7%	8,118	0.8%	8,000	0.8%	7,747	0.8%	7,500	0.8%	7,013	0.8%	7,391	0.8%	7,013	0.8%	6,520	0.8%	7,200	0.9%
Baptist Health System	6,498	0.6%	7,205	0.7%																
San Antonio ISD			7,000	0.7%	7,374	0.7%	7,000	0.7%	7,581	0.8%	7,581	0.8%	7,425	0.8%	8,000	0.9%			8,000	1.0%
AT & T, Inc.																	5,611	0.7%		
Total Employment	163,729	14.8%	170,436	17.0%	167,543	16.8%	156,918	15.8%	157,633	16.8%	145,447	16.0%	147,356	14.8%	135,279	15.8%	114,942	13.8%	144,948	18.7%

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

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

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

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

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

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

(7) 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)

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

(9) Source: City of San Antonio Planning Office

(10) Source: San Antonio Economic Development Foundation

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2015**	2014**	2013 **	2012 **	2011 **	2010 **	2009 +	2008 +	2007 +	2006 +
Faculty										
Full-time	928	916	750	1,004	1,039	1,027	1,049	1,024	1,052	992
Part-time	1,556	1,633	1,848	1,482	1,710	1,599	2,957	2,865	3,011	3,052
Total	2,484	2,549	2,598	2,486	2,749	2,626	4,006	3,889	4,063	4,044
Percent										
Full-time	37.36%	35.94%	28.87%	40.39%	37.80%	39.11%	26.19%	26.33%	25.89%	24.53%
Part-time	62.64%	64.06%	71.13%	59.61%	62.20%	60.89%	73.81%	73.67%	74.11%	75.47%
Staff and Administrators										
Full-time	1,715	1,649	1,479	1,532	1,710	1,721	1,823	1,763	1,814	1,720
Part-time	1,437	1,077	660	921	978	1,165	888	887	930	926
Total	3,152	2,726	2,139	2,453	2,688	2,886	2,711	2,650	2,744	2,646
Percent										
Full-time	54.41%	60.49%	69.14%	62.45%	63.62%	59.63%	67.24%	66.53%	66.11%	65.00%
Part-time	45.59%	39.51%	30.86%	37.55%	36.38%	40.37%	32.76%	33.47%	33.89%	35.00%
FTSE *	35,586	36,031	36,849	39,131	39,162	41,077	36,254	34,173	33,531	33,249
FTSE per full-time faculty	38.3	39.3	49.1	39.0	37.7	40.0	34.6	33.4	31.9	33.5
FTSE per full-time staff member	20.7	21.9	24.9	25.5	22.9	23.9	19.9	19.4	18.5	19.3
Average annual full-time faculty salary	$ 52,370	$ 54,778	$ 66,680	$ 54,178	$ 57,537	$ 60,929	$ 54,121	$ 52,939	$ 51,240	$ 50,142

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 Nine Fiscal Years
(Unaudited)

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
Student Classification	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
00 - 30	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%	28,458	58.0%
31 - 60	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%	14,479	29.0%
Unclassified	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%	6,505	13.0%
>60 hours*	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%	46	0.0%
Total	49,888	100.0%	51,101	100.0%	52,354	100.0%	57,286	100.0%	58,797	100.0%	58,638	100.0%	52,306	100.0%	50,029	100.0%	49,488	100.0%

Source: THECB Prep Online

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
Semester Hour Load	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less Than 3	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%	270	0.5%
3 - 5 semester hours	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%	8,601	17.4%
6 - 8 semester hours	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%	14,183	28.7%
9 - 11 semester hours	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%	8,651	17.5%
12 - 14 semester hours	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%	15,473	31.3%
15 - 17 semester hours	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%	2,040	4.1%
18 and over semester hours	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%	270	0.5%
Total	49,888	100.0%	51,101	100.0%	52,354	100.0%	57,286	100.0%	58,797	100.0%	58,638	100.0%	52,306	100.0%	50,029	100.0%	49,488	100.0%
Average course load	8.2 hrs		8.3 hrs		8.2 hrs		8.2 hrs		8.9 hrs		8.5 hrs		8.5 hrs		8.7 hrs		8.8 hrs	

Source: CBM001

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
Tuition Status	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Texas resident- In District	39,929	80%	41,007	80%	42,828	82%	47,567	83%	49,261	84%	48,787	83%	43,116	82%	41,741	83%	41,628	84%
Texas resident- Out of District	6,536	13%	6,591	13%	6,211	12%	7,631	13%	7,515	13%	7,939	14%	7,295	14%	6,544	13%	6,431	13%
Non-resident tuition	1,242	2%	1,146	2%	1,284	2%	1,312	2%	1,284	2%	1,096	2%	1,137	2%	1,013	2%	811	2%
Tuition exemption	1,337	3%	1,541	3%	1,198	2%	-	0%	3	0%	79	0%	165	0%	142	0%	96	0%
Foreign	844	2%	816	2%	833	2%	776	1%	734	1%	737	1%	593	1%	589	1%	522	1%
Total	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

Source: CBM001

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
Gender	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Female	28,342	57%	29,210	57%	30,003	57%	32,844	57%	33,670	57%	33,607	57%	30,386	58%	29,341	59%	29,350	59%
Male	21,546	43%	21,891	43%	22,351	43%	24,442	43%	25,127	43%	25,031	43%	21,920	42%	20,688	41%	20,138	41%
Total	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
Ethnic Origin	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Multi-Racial	-	0%	878	2%	1,382	3%	1,088	2%	750	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
White	13,507	27%	14,157	28%	15,166	29%	18,423	32%	20,349	35%	23,327	40%	20,202	39%	19,753	39%	19,725	40%
Hispanic	29,180	58%	30,030	59%	30,679	59%	31,712	55%	30,371	52%	28,943	49%	26,357	50%	24,956	50%	24,585	50%
African-American	3,825	8%	3,875	8%	3,263	6%	3,757	7%	3,860	7%	4,147	7%	3,717	7%	3,453	7%	3,352	7%
Asian	1,388	3%	1,271	2%	1,244	2%	1,429	2%	1,457	2%	1,621	3%	1,414	3%	1,314	3%	1,248	3%
Foreign	249	0%	236	0%	190	0%	324	1%	47	0%	357	1%	408	1%	342	1%	389	1%
Native American	-	0%	127	0%	132	0%	182	0%	177	0%	243	0%	208	0%	211	0%	189	0%
Native Hawaiian/Other Pacific Islander	-	0%	83	0%	89	0%	-	0%	-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ethnic Origin/Race unknown	1,739	3%	444	1%	209	0%	371	1%	1,786	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
Age	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 18	8,613	17%	8,767	17%	8,809	17%	9,451	16%	9,079	15%	8,584	15%	7,398	14%	6,278	13%	5,323	11%
18-21	20,067	40%	20,236	40%	20,212	39%	21,472	37%	22,219	38%	22,330	38%	20,514	39%	19,539	39%	19,348	39%
22-24	6,724	13%	6,769	13%	6,876	13%	7,639	13%	7,735	13%	8,114	14%	7,257	14%	7,338	15%	7,246	15%
25-35	9,653	19%	9,960	19%	10,630	20%	12,165	21%	13,044	22%	12,931	22%	11,300	22%	11,068	22%	11,482	23%
36-50	3,943	8%	4,361	9%	4,770	9%	5,433	9%	5,618	10%	5,668	10%	4,934	9%	4,901	10%	5,131	10%
51 and over	888	2%	1,008	2%	1,057	2%	1,126	2%	1,102	2%	1,011	2%	903	2%	905	2%	956	2%
Unknown	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	2	0%
Total	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%
Average age	23.6		23.8		23.7		24.2		24.3		24.3		24.2		24.4		24.8	

Source: CBM001

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 17
Transfer Students to Senior Institutions
Fall 2013 Students
(Unaudited)

	Institutions Attended, Fall 2013	Academic	Technical	Tech-Prep	Total	% Students
1	The University of Texas at San Antonio	4,015	269	62	4,346	35.1%
2	Texas A&M University - San Antonio	2,257	161	124	2,542	20.5%
3	Texas State University - San Marcos	1,258	59	53	1,370	11.1%
4	Texas A&M University	1,015	63	13	1,091	8.8%
5	The University of Texas at Austin	809	28	15	852	6.9%
6	Texas Tech University	409	33	6	448	3.6%
7	The University of Texas Health Science Center at San Antonio 78	220	13	-	233	1.9%
8	Texas A&M University - Corpus Christi	213	15	1	229	1.8%
9	University of North Texas	121	10	5	136	1.1%
10	Texas A&M University - Kingsville	111	4	-	115	0.9%
11	University of Houston	95	4	4	103	0.8%
12	The University of Texas at Arlington	78	17	2	97	0.8%
13	Sam Houston State University	74	1	3	78	0.6%
14	Tarleton State University	66	3	-	69	0.6%
15	Texas Tech University Health Sciences Center	34	32	-	66	0.5%
16	The University of Texas at Dallas	59	2	-	61	0.5%
17	Angelo State University	47	4	2	53	0.4%
18	Stephen F. Austin State University	50	2	1	53	0.4%
19	University of Houston - Victoria	42	4	1	47	0.4%
20	Texas A&M International University	34	4	1	39	0.3%
21	Texas A&M University at Galveston	36	-	1	37	0.3%
22	Texas Woman's University	28	3	-	31	0.3%
23	Prairie View A&M University	28	1	-	29	0.2%
24	The University of Texas of the Permian Basin	28	-	-	28	0.2%
25	West Texas A&M University	24	3	-	27	0.2%
26	The University of Texas at El Paso	17	4	-	21	0.2%
27	The University of Texas Medical Branch at Galveston	16	3	2	21	0.2%
28	The University of Texas Health Science Center at Houston	15	5	-	20	0.2%
29	The University of Texas - Pan American	15	1	2	18	0.1%
30	The University of Texas at Tyler	17	-	1	18	0.1%
31	Sul Ross State University	13	4	-	17	0.1%
32	Lamar University	15	-	-	15	0.1%
33	Texas Southern University	15	-	-	15	0.1%
34	The University of Texas at Brownsville	11	1	3	15	0.1%
35	Texas A&M University - Commerce	12	-	-	12	0.1%
36	Midwestern State University	5	2	3	10	0.1%
37	University of Houston - Clear Lake	6	2	-	8	0.1%
38	Texas A&M University - Central Texas	5	-	1	6	0.0%
39	University of Houston - Downtown	5	1	-	6	0.0%
40	The University of Texas M.D. Anderson Cancer Center	5	-	-	5	0.0%
41	Sul Ross State University - Rio Grande College 1	3	-	1	4	0.0%
42	Texas A&M University System Health Science Center	4	-	-	4	0.0%
43	University of North Texas Health Science Center	3	-	-	3	0.0%
	Total	**11,333**	**758**	**307**	**12,398**	**100.0%**

Source: THECB Report ASALFS Students Pursuing Additional Education by Institution, includes only public senior colleges in Texas - Fall 2013

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Academic building equivalent (teaching spaces only)	53.1	53.1	52.1	52.1	52.1	52.1	44.1	37.1	37.1	37.1
Square footage	2,201	2,201	2,199	2,199	2,199	2,199	2,193	1,614	1,614	1,614
Library building equivalent	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	1.4	1.4
Square footage	278	278	278	278	278	278	277	256	204	204
Dining facilities	1.7	1.7	1.7	1.7	1.7	1.7	1.7	0.7	0.7	0.7
Square footage	63	63	63	63	63	63	63	58	46	46
Student support and office space building equivalent	41.7	41.7	41.7	41.7	41.7	41.7	41.7	39.7	39.7	39.7
Colleges - square footage	1,037	1,037	1,037	1,037	1,037	1,037	1,034	955	761	761
District support operations - square footage	102	102	102	102	102	102	102	94	76	76
Plant facilities	18.4	18.4	18.4	18.4	18.4	16.4	15.4	11.4	11.4	11.4
Square footage	98	98	98	98	98	98	88	84	47	47
Parking garages	3.0	3.0	2.0	1.0	1.0	1.0	1.0	1.0	-	-
Square footage	974	974	645	395	395	395	395	395	-	-
Portable buildings	65.0	65.0	65.0	65.0	65.0	63.0	49.0	40.0	40.0	40.0
Square footage	104	104	104	104	104	104	101	75	63	63
Athletic facilities - building equivalent	4.8	4.8	4.8	4.8	4.8	4.8	3.8	3.8	3.8	3.8
Square footage	245	245	245	245	245	245	244	226	180	180
Fitness centers	8	8	8	8	7	6	5	4	4	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	-	-	-	-
Fitness trails	2	2	2	2	2	2	-	-	-	-
Putting green	1	1	1	1	1	1	-	-	-	-
Rock climbing wall	2	2	2	1	1	1	-	-	-	-
Ropes course	1	1	1	2	-	-	-	-	-	-
University Center	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Square footage	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8
Leased space	9.7	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Square footage	124	124	124	124	124	124	124	124	124	124
Total Count	**201**	**200**	**197**	**196**	**196**	**192**	**168**	**145**	**143**	**143**
Total square footage (in thousands)	**5,298**	**5,299**	**4,969**	**4,718**	**4,718**	**4,718**	**4,694**	**3,954**	**3,188**	**3,188**
Transportation										
Cars	50	44	38	33	34	40	43	40	41	39
Trucks/vans	79	78	77	77	76	78	80	70	63	57
Buses	3	2	2	2	2	2	2	2	2	2
Electric cars	7	7	7	7	7	7	2	-	-	-
Electric vehicle charging stations	16	16	-	-	-	-	-	-	-	-
ADA parking spots	529	529	511	503	489	479	464	401	317	317
Non ADA parking spots	15,696	15,696	15,562	15,264	14,716	14,309	14,015	13,697	8,944	8,944

Source: Alamo Colleges Facilities Department

Single Audit Section

ALAMO
COLLEGES

Grant Thornton

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

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Management and Board of Trustees
Alamo Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College (collectively the District), as of and for the year ended August 31, 2015, 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 15, 2015.

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 Foundation, Inc. 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.

Grant Thornton LLP

San Antonio, Texas
December 15, 2015

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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Alamo Community College District
San Antonio, Texas

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 (collectively the District), with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The above-mentioned standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for qualified opinion on Adult Education – Basic Grants to States
As described in the accompanying schedule of findings and questioned costs, the District did not comply with the requirements regarding CFDA 84.002 Adult Education – Basic Grants to State as described in finding number 2015-001 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified opinion on Adult Education – Basic Grants to States
In our opinion, except for the noncompliance described in the Basis for Qualified Opinion on Adult Education – Basic Grants to States paragraph, 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 the Adult Education – Basic Grants to States program for the year ended August 31, 2015.

Unmodified opinion on each of the other major federal programs
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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2015.

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

Report on internal control over compliance
Management of the District is responsible for designing, implementing, 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Grant Thornton

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. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a material weakness in the District's internal control over compliance.

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

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

Grant Thornton LLP

San Antonio, Texas
December 15, 2015

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

Schedule of Findings and Questioned Costs
Year Ended August 31, 2015

Section I – Summary of Auditor's Results

Financial Statements Section

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

Internal control over financial reporting:		
Material weaknesses identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards Section

Internal control over major programs:		
Material weaknesses identified?	X Yes	____ No
Significant deficiencies identified?	____ Yes	X None reported

Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse or disclaimer): **Unmodified for all major programs except for Adult Education – Basic Grants to States; which was qualified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes ____ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.031	Higher Education Institutional Aid
93.093	Affordable Care Act Health Profession Opportunity Grants
84.002	Adult Education – Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs: $344,627

Auditee qualified as low-risk auditee? X Yes ____ No

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (for example: material weaknesses, significant deficiencies and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

Finding 2015-001

Federal program information:	Federal awarding agencies: United States Department of Education Federal Program: Adult Education – Basic Grants to States, CFDA 84.002 Award year: 2014-2015, 2015-2016
Criteria or specific requirement (including statutory, regulatory or other citation):	Activities Allowed or Unallowed/Eligibility Under the July 2015 Compliance Supplement, "Allowable activities are described in the eligible provider's approved application. Generally, eligible providers must establish or operate one or more programs that provide services or instruction in one or more of the following categories: (1) adult education and literacy services, including workplace literacy services; (2) family literacy services; and (3) English literacy programs. Adults include individuals who are at least 16 years of age, who are not enrolled or required to be enrolled in secondary school under State law; and who lack sufficient mastery of basic educational skills, do not have a secondary school diploma or its recognized equivalent, or are unable to speak, read, or write the English language." Under the (i) grant agreement with the pass through agency, Education Service Center Region 20 (ECS-20) and (ii) the grant agreement with the pass through entity, Texas Work Force Commission (TWC), "The Grantee shall determine eligibility for each participant prior to participant receiving any services funded through this grant. The Grantee shall document and maintain confidential eligibility documentation files for each participant receiving services funded through this grant. Maintenance of these eligibility files shall conform to the Agency's policy for Security of Personal Identity Data requirements in Workforce Development (WD) Letters 13-08 and 13-13 including any subsequent issuances. Failure to determine eligibility, document eligibility, or maintain the required files for all enrolled participants may result in disallowed costs and subsequent repayment of grant funds, in accordance with Section 1 of Attachment B of the grant." Under the grant agreement with the pass through entity, TWC, "The Grantee shall comply with the following requirements: 5.2.1 Documentation: keep documentation on file of how each requirement has been met during the grant period and be prepared to provide to the Agency upon request. The Agency will provide a reporting template to the Grantee following grant execution. 5.2.3 Student Satisfaction Evaluation: solicit information from students on their satisfaction with Program activities with a survey provided by the Agency. 5.2.7 Intake, Screening, and Student Documentation: 5.2.7.4 screen for students' career interest and employability including employability characteristics related to criminal background and physical requirements; and 5.2.7.5 maintain student files in compliance with WD Letters 13-08 and 13-13 including any subsequent issuances.
Condition:	For forty (40) of the forty (40) students selected for activities allowed or unallowed and eligibility testing, Alamo Colleges did not provide documentation of eligibility or evidence of the required files to be maintained for enrolled participants. Additionally, Grant Thornton was unable to verify that students receiving Federal funds passed through from TWC had been solicited to take the Student Satisfaction Evaluation.
Questioned costs:	$-0-
Context:	Of the 797 students enrolled in the Adult Education - Basic Grants to States program in fiscal year 2015, Grant Thornton selected forty (40) students for testing. For forty (40) of the forty (40) students selected for activities allowed or unallowed and eligibility testing, Alamo Colleges did not provide documentation of eligibility or evidence of the required files to be maintained for enrolled participants
Effect:	Alamo Colleges is not in compliance with grant or eligibility requirements
Cause	Alamo Colleges did not follow the terms of the grants requiring verification of eligibility, and internal reviews of documentation by management did not appear to have been performed.

Recommendation:	Alamo Colleges should establish procedures and internal controls, including monitoring controls- such as signatory reviews by management of documents within the files, to ensure that records for eligible students are maintained following the terms of the grants.
Views of responsible officials and planned corrective actions:	Alamo Colleges is confident that all participants met the eligibility criteria for this grant; however, acknowledges that the eligibility should have been appropriately documented. During the month of October 2015, Alamo Colleges began a comprehensive review of all procedures and internal control related to eligibility. This review included attending training sessions provided by the Texas Workforce Commission (TWC) and the Education Service Center Region 20 (ESC-20). Immediately following the sessions, Alamo Colleges began retraining key personnel on procedures, documentation, internal control and monitoring. Alamo Colleges expects to successfully implement updated procedures and strengthened internal controls in the next three months to ensure that proper records are kept for eligible students. Alamo Colleges will identify additional resources through possible funding sources available under grants to strengthen compliance activities for non-student financial aid grants. Implementation date: 2016 Responsible person: Vice Chancellor for Economic and Workforce Development

ALAMO COMMUNITY COLLEGE DISTRICT
Summary Schedule of Prior Year Audit Findings - Federal
Year Ended August 31, 2015

Section III – Federal Award Findings and Questioned Costs

Criteria/Specific Requirement	Finding Number	Status	Management's Response
Special Tests and Provisions – Federal Direct Loan Notification	14-F01 13-F02 12-F05 11-05	Corrected	During fiscal year 2015, more timely and stringent mandatory monitoring procedures and reports were implemented into the automated system to strengthen controls over the notification process. Also, a review of the functionality of the automated notification system after every upgrade is now standard operating procedure.
Higher Education Institutional Aid – Davis Bacon Act	14-F02 13-F03	Corrected	The new software that was acquired needed additional monitoring to assure successful implementation. Management's commitment and thorough follow-up procedures ensured compliance.

ALAMO
COLLEGES

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 SINGLE AUDIT CIRCULAR

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Board of Trustees
Alamo Community College District
San Antonio, Texas

Report on compliance for its 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 Governor's Office of Budget and Planning, *Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular* that could have a direct and material effect on its major state program for the year ended August 31, 2015. The District's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the District's state programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *the State of Texas Single Audit Circular*.

The above-mentioned standards and *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the 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 its major state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on its 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 its major state program for the year ended August 31, 2015.

Report on internal control over compliance

Management of the District is responsible for designing, implementing, 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 Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

San Antonio, Texas
December 15, 2015

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, 2015

Section I – Summary of Auditor's Results

Financial Statements Section

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

Internal control over financial reporting:		
Material weaknesses identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

State Awards Section

Internal control over major programs:		
Material weakness identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None reported

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

Any audit findings disclosed that are required to be reported in accordance with Part IV of the State of Texas Uniform Grant and Contract Standards Act of 1981? ____ Yes X No

Identification of major state programs:

Grant Award Number(s)/State Identifying Number	Name of State Program
None available	Texas Equalization Opportunity Grant

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? X Yes ____ No

Section II – Financial Statement Findings

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

Section III – State of Texas Award Findings and Questioned Costs

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

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