Comprehensive Annual Financial Report

For the Years Ended August 31, 2014 and 2013

Alamo Community College District

San Antonio, Texas

ALAMO COLLEGES

Dare to Dream. Prepare to Lead.™

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, 2014 and 2013

Prepared by:

Finance and Fiscal Services Department

ALAMO COMMUNITY COLLEGE DISTRICT

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Introductory Section

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December 22, 2014

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, 2014. 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 2014, the Board of Trustees of Alamo Colleges affirmed the selection of the independent accounting firm of EY to perform the annual audit. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the State Single Audit related to the Uniform Grant Management Standards Single Audit Circular. The auditor's report related specifically to the single audit is included in the Single Audit Section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The 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 counseling, learning resource centers, computer labs, tutoring, financial services, services for the disabled, developmental instruction, veteran's services, service learning and job placement.

The Alamo Colleges is the third largest community college system in Texas, includes two colleges designated as Hispanic-Serving Institutions and the nation's only institution that is designated as both a Historically Black College and a Hispanic-Serving Institution. It is the nation's third largest producer of Hispanic nurses and is Texas' largest provider of online post-secondary education. A vibrant international program brings 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 July 2014, San Antonio was recognized by *Forbes* magazine as the Tenth Best City for Future Job Growth and the Sixteenth 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 80% of its students stay in the region after they leave college and contribute positively to the local economy.

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

- Revenues from ad valorem taxes increased by nearly 6% in 2014 as net assessed property values of the District increased from approximately $101.5 billion in 2013 to $106.9 billion in 2014. A pattern of predictable and increasing property values over the three most recent fiscal years relieves pressure to increase the tax rate for the District's constituents. San Antonio has stable housing prices, as average and median prices for homes continue to climb in 2014, according to the *San Antonio Board of Realtors*. There was no increase in the District's tax rate for fiscal year 2014.

- State appropriations are critical to keeping student tuition rates low and increased $1.02 million in 2014. However, state appropriations have decreased approximately $10.9 million or 12.4% since 2009, as the State moves away from the traditional calculation method to a combined funding approach that incorporates student success outcomes as 10% of the state funding allocation. For fiscal year 2014, the State only provided 45% of the formula funding.

- Alamo Colleges did not implement an across the board tuition increase for the 2015 budget. The Board is committed to providing the best education possible for students in its service area at the least direct cost to the students.

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

Strategic and Long-Term Financial Planning

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

The budget is developed with broad-based staff involvement and is guided by budgetary, debt and financial policies approved by the Board. The budget includes a multi-year financial plan, which incorporates proposed increases for capital budgets, preventive maintenance and student success initiatives. A separate ten-year plan for Alamo Colleges projects 2% 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 7,310 degrees and certificates awarded to students in fiscal year 2014. This represents a 73% increase since fiscal year 2007. This improvement is directly related to two major initiatives implemented by the District. The adoption of *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 is a series of online, self-paced learning modules designed to help students transition to college, and monitors students' progress until they earn a certificate or degree.

Awards and Acknowledgments

The Alamo Colleges was selected from among 1,200 member institutions of the Association of Community College Trustees (ACCT) to receive the 2013 Charles Kennedy Equity Award. The award recognizes exemplary commitment by a community, technical or junior college governing board and its chief executive officer to achieve equity in the college or district's education programs and services and in the administration and delivery of those programs and services. Alamo Colleges received the award for its efforts in expanding opportunities for minorities and women.

The Alamo Academies were recognized with a Gold Award by the International Economic Development Council (IEDC) in 2014 in the human capital program award area. This award acknowledges economic development efforts that develop strategic approaches in order to meet objectives such as strengthening the skills of the workforce; increasing and developing the pool of knowledge workers, including youth, in the pipeline; enhancing the skill-sets of low-skilled and

other disadvantaged workers; and better integrating and aligning economic and workforce development activities through systematic attempts at building a workforce system. The Alamo Academies is a national award winning, innovative, STEM-based instructional model operated by the Alamo Area Academies Inc., a non-profit organization, in partnership with the Alamo Colleges, San Antonio area high schools, industry and the cities of San Antonio, New Braunfels and Seguin providing America's youth with tuition-free career pathways into critical demand technical STEM occupations. The program utilizes contextualized, industry-driven curricula resulting in 94 percent of graduates entering higher education or high-wage careers in aerospace, manufacturing, information technology, and healthcare. The Alamo Academies focus on four key industries within San Antonio: manufacturing, aerospace, information technology and health care. The program provides a college pathway to high school juniors and seniors to attain industry and academic certificates that lead to high-wage jobs or to further higher education while addressing critical workforce needs. During the two year program, students earn 31-34 college credits at no personal cost allowing them to receive both a college degree and high school diploma. Additionally, the students are paid almost $3,000 through an industry internship.

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.

The Government Finance Officers Association of the U.S. and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Alamo Colleges for its comprehensive annual financial report for the fiscal year ended August 31, 2013. This was the fifth 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

Digitally signed by Diane E. Snyder
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Date: 2015.01.20 10:42:04 -06'00'

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

Pamela K. Ansboury

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

ALAMO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA
August 31, 2014

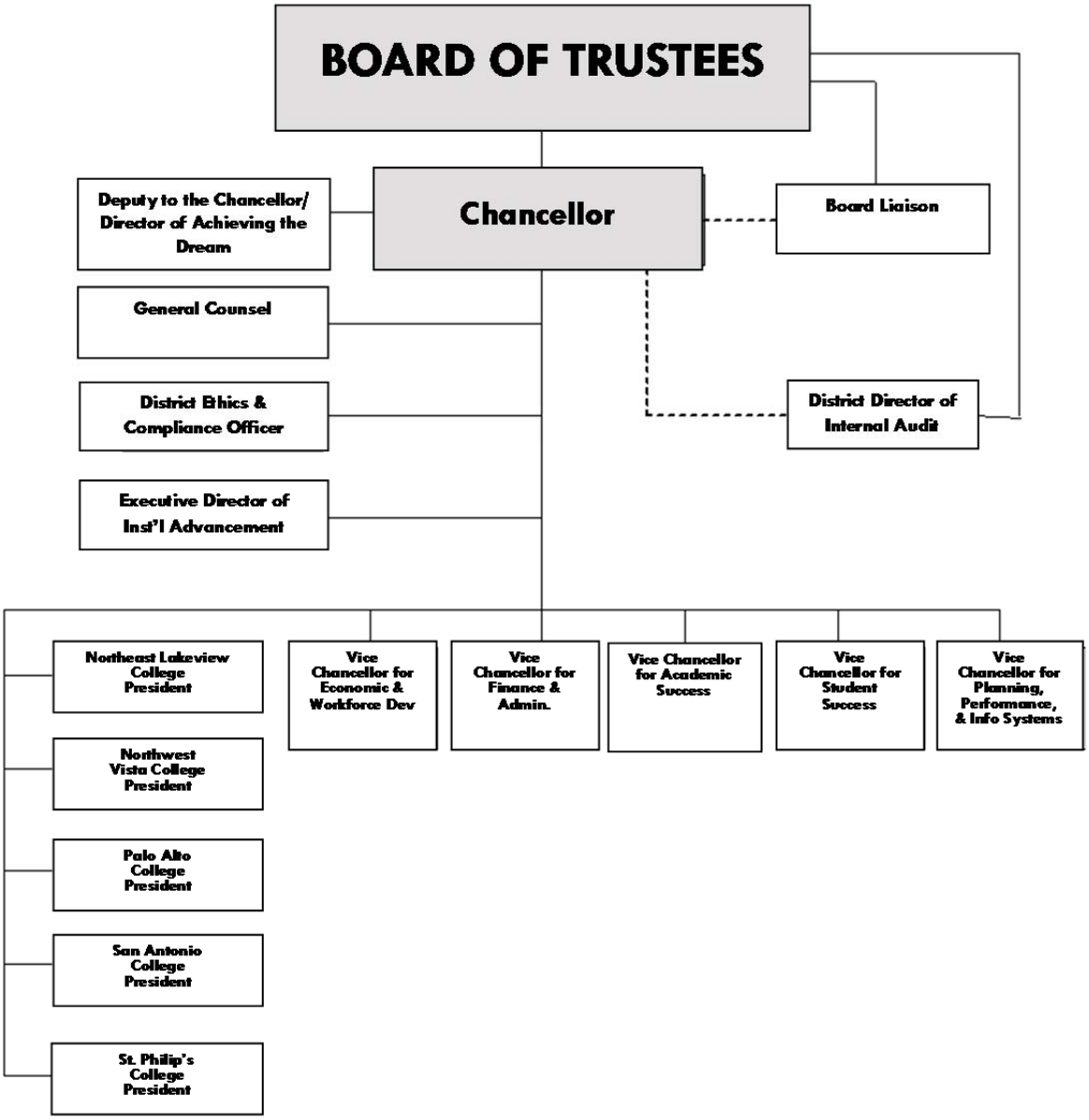
ELECTED OFFICIALS

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
Albert R. Herrera	Member of the Board	Atascosa, Texas	2020
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
Ann DeBarros, CPA, MBA	District Comptroller
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.

VISION

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

MISSION

Empowering our diverse communities for success.

VALUES

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

Students First

Respect for All

Community- Engaged

Collaboration

Can-Do Spirit

Data-Informed

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, 2013

Executive Director/CEO

Financial Section

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Report of Independent Auditors

Management and Board of Trustees
Alamo Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College (collectively, the District), as of and for the years ended August 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the Financial Section of the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Alamo Colleges Foundation, Inc., which represents 79.3 percent, 94.3 percent and 99.7 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units of the District as of and for the year ended August 31, 2014 and 76.0 percent, 92.8 percent and 99.6 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units as of and for the year ended August 31, 2013. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for that component unit, are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Alamo Colleges Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

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 respective financial position of the business-type activities and the aggregate discretely presented component units of the District as of August 31, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

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

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of

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Federal Awards for the year ended August 31, 2014, 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 for State Awards as required by the State of Texas Single Audit Circular for the year ended August 31, 2014, the Schedule of Operating Revenues for the year ended August 31, 2014, the Schedule of Operating Expenses by Object for the year ended August 31, 2014, Schedule of Non-Operating Revenues and Expenses for the year ended August 31, 2014, Schedule of Net Position by Source and Availability for the year ended August 31, 2014, as required by the Texas Higher Education Coordinating Board (collectively, the Supplementary Information), and the other information, such as the Introductory Section, Other Information-By Location and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Other Information-By Location and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated December 22, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Ernst & Young LLP

December 22, 2014

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ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis
(Unaudited)

Management's Discussion and Analysis is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (Alamo Colleges, District or ACCD) for the fiscal year ended August 31, 2014. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

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

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, liabilities and net position as of August 31, 2014; 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 $26.9 million and total liabilities decreased $24.5 million.
- The District's net position at August 31, 2014 was $285.5 million reflecting a $2.5 million decrease from prior year.
- The District's operating loss was $298.1 million.
- Cash and Cash Equivalents decreased approximately $13.0 million during the year ended August 31, 2014.
- 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.

Beginning in the current fiscal year, the financial statements for the District's component unit, 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 now significant to the District (Notes 1 and 22). The separately issued financial statements of the Foundation can be obtained from the Finance and Fiscal Services department of the Alamo Community College District.

During 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 23).

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, liabilities and deferred outflows of the District. Net position is the difference between assets and liabilities and serves as a general indicator of financial stability.

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, capital

assets, investments and other assets not classified as current. Noncurrent liabilities include bonds and tax notes payable and other long-term commitments. Deferred outflows represent a consumption of net assets applicable to a future reporting period. The District reported deferred charges on debt refundings as a deferred outflow of resources.

A Condensed Schedule of Net Position is presented below. Total assets decreased 2.8% or $26.9 million during fiscal year 2014. The decrease is primarily due to a $24.5 million liquidation of total liabilities and a $2.5 million decrease in overall net position due to excess expenditures over revenues. In fiscal year 2013, total assets decreased $9.9 million or 1.0% due to a $19.9 million liquidation of total liabilities and a $9.4 million increase in overall net position due to excess revenues over expenditures.

Total liabilities decreased 3.6% or $24.5 million and decreased 2.8% or $19.9 million during fiscal years 2014 and 2013, respectively. Noncurrent liabilities consist primarily of bonds payable and decreased $26.0 million during fiscal year 2014. The net change was 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 increased $1.5 million during 2014 primarily related to an increase in the current portion of long term liabilities partially offset by a decrease in deferred tuition and fee revenues.

The District's net position at August 31, 2014 was $285.5 million compared to $288.0 million at August 31, 2013. This decrease of $2.5 million in excess expenditures over revenues primarily relates to a $12.8 million net decrease in 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	
	2014	2013	2012	2013 to 2014	2012 to 2013
Assets					
Cash and cash equivalents	$ 45.2	$ 58.2	$ 39.3	$ (13.0)	$ 18.9
Accounts and notes receivable, net	10.2	21.5	17.2	(11.3)	4.3
Investments	109.5	114.0	175.6	(4.5)	(61.6)
Other	4.4	3.1	2.6	1.3	0.5
Capital assets	1,058.1	1,026.4	971.1	31.7	55.3
Accumulated depreciation	(288.2)	(257.1)	(229.8)	(31.1)	(27.3)
Total assets	939.2	966.1	976.0	(26.9)	(9.9)
Deferred Outflows of Resources					
Deferred charges on debt refundings	7.6	7.8	8.2	(0.2)	(0.4)
Liabilities					
Current liabilities	79.4	77.9	83.4	1.5	(5.5)
Noncurrent liabilities	581.9	607.9	622.3	(26.0)	(14.4)
Total liabilities	661.3	685.8	705.7	(24.5)	(19.9)
Net Position					
Net investment in capital assets	180.6	170.3	163.7	10.3	6.6
Restricted (expendable)	18.7	16.3	13.0	2.4	3.3
Unrestricted	86.2	101.4	101.9	(15.2)	(0.5)
Total net position	$ 285.5	$ 288.0	$ 278.6	$ (2.5)	$ 9.4

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, 2014, 2013 and 2012 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Operating revenues and expenses:					
Operating revenues (see detail below)	$ 85.6	$ 95.9	$ 96.9	(10.3)	$ (1.0)
Operating expenses (see detail below)	383.7	371.7	370.2	12.0	1.5
Operating loss	(298.1)	(275.8)	(273.3)	(22.3)	(2.5)
Non-operating revenues (expenses):					
State appropriations	77.0	76.0	77.8	1.0	(1.8)
Ad valorem taxes	157.7	149.0	139.2	8.7	9.8
Federal and State grants, non-operating	88.7	91.1	100.0	(2.4)	(8.9)
Investment income	1.0	0.2	1.9	0.8	(1.7)
Interest on capital related debt	(25.1)	(26.5)	(27.0)	1.4	0.5
Other non-operating expenses	(3.7)	(4.6)	(7.5)	0.9	2.9
Total non-operating revenues, net	295.6	285.2	284.4	10.4	0.8
(Decrease) increase in net position	(2.5)	9.4	11.1	(11.9)	(1.7)
Net position - beginning of year	288.0	278.6	267.5	9.4	11.1
Net position - end of year	$ 285.5	$ 288.0	$ 278.6	$ (2.5)	$ 9.4

Operating Revenues
(in millions)

	2014		2013		2012		Change	
							2013 to 2014	2012 to 2013
	Amount	% of Total	Amount	% of Total	Amount	% of Total		
Net tuition and fees	$ 58.8	68.7%	$ 64.1	66.8%	$ 59.7	61.6%	$ (5.3)	$ 4.4
Grants and contracts	18.9	22.0%	24.7	25.8%	30.4	31.4%	(5.8)	(5.7)
Auxiliary enterprises	5.1	6.0%	4.1	4.3%	4.3	4.4%	1.0	(0.2)
Other operating revenues	2.8	3.3%	3.0	3.1%	2.5	2.6%	(0.2)	0.5
Total operating revenues	$ 85.6	100.0%	$ 95.9	100.0%	$ 96.9	100.0%	$ (10.3)	$ (1.0)

As shown in the operating revenues table above, total operating revenues decreased $10.3 million and $1.0 million in fiscal years 2014 and 2013, respectively. 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. For fiscal year 2013, net tuition and fees increased $4.4 million primarily due to a 3% increase in tuition rates and the adoption of special program tuition and fees. In addition, waivers and financial aid decreased $3.6 million in 2013 from the prior year. For 2013, general fees were billed as part of tuition, which accounts for the variances in these categories between 2013 and 2012 as shown in the chart below.

Net non-operating revenues increased by $10.4 million or 3.6% in 2014 and increased by $0.8 million in 2013. The $10.4 million increase is 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. In fiscal year 2013, ad valorem taxes increased 7% or $9.8 million primarily due to an approximate 7.5/10th of a cent increase in the property tax rate for maintenance and operations. Federal and state grants decreased 8.9% or $8.9 million primarily due to a decrease in federal Pell grants to students and Texas Workforce Commission grants. These factors primarily account for the $0.8 million decrease in net non-operating revenues in 2013.

Components of Net Tuition and Fees
(in millions)

	2014		2013		2012	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	$ 106.6	91.2%	$ 108.8	91.3%	$ 89.2	75.4%
CE and contract training	3.5	3.0%	3.2	2.7%	4.5	3.8%
Fees	6.8	5.8%	7.1	6.0%	24.6	20.8%
Total tuition and fees	$ 116.9	100.0%	$ 119.1	100.0%	$ 118.3	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	$ 58.1	49.7%	$ 55.0	46.2%	$ 58.6	49.5%

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 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 $5.3 million or approximately 8.3% over 2013. 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.

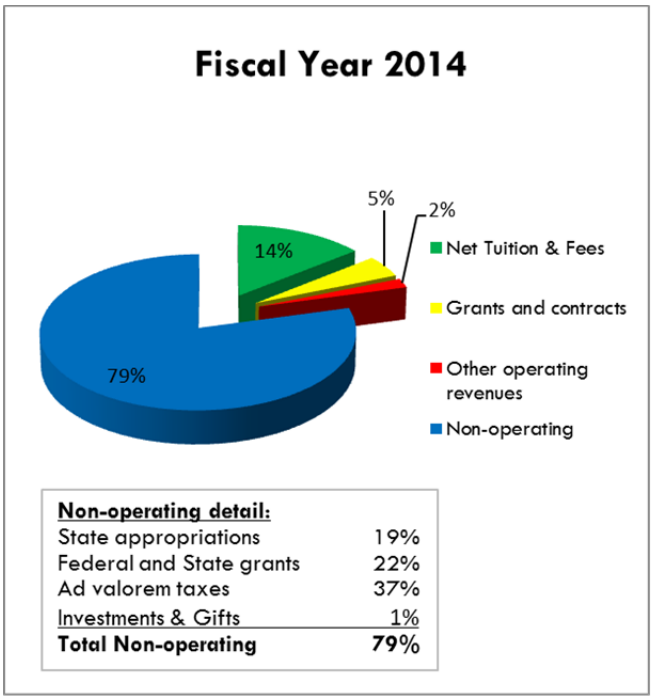
During fiscal year 2013, overall net tuition and fees increased $4.4 million or 7.4% over 2012. The $19.6 million increase in gross tuition is related to a 3% increase in tuition rates to cover instructional costs in support of enrollment growth and the inclusion of general fees within the tuition amount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

The treatment of Federal Pell paid to students represents a tuition discount (financial aid) if the Federal Pell pays tuition and fees on the individual student's account and scholarships if it pays other charges. Overall combined federal and state student aid decreased $2.4 million and $8.9 million in 2014 and 2013, respectively, due to tightening of federal financial aid regulations. Other amounts in this category such as institutional allowances and scholarships and dual credit exemptions increased $1.3 million and $1.1 million in 2014 and 2013, respectively. This contributed largely to the $3.6 million reduction in the category waivers and financial aid or tuition discounts for fiscal year 2013. The tuition discount rate decreased from 49.5% in 2012 to 46.2% in 2013.

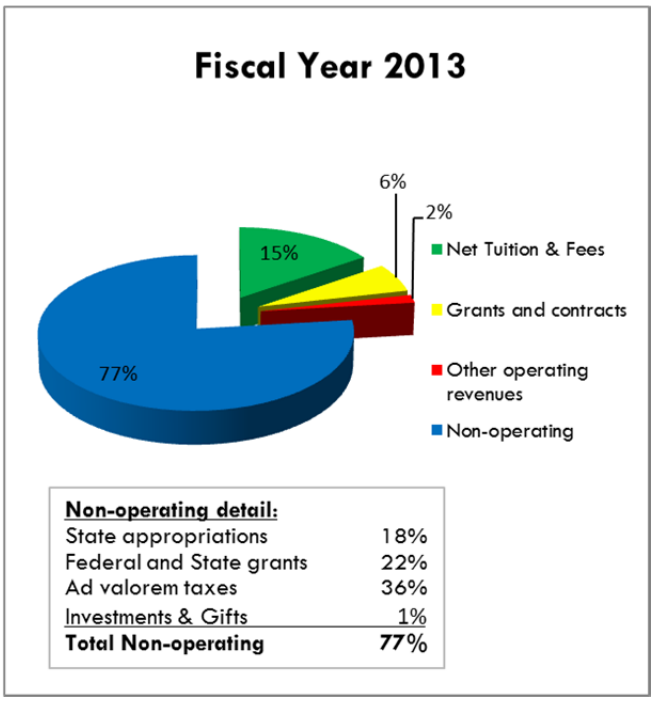
The bad debt expense is an addition to the allowance for loss which represents a reserve for the future and is grouped with tuition revenues as required by the Texas Higher Education Coordinating Board. A nominal bad debt expense was recorded for 2014 and 2013.

Below is a chart of the major sources of revenue for fiscal years 2014 and 2013, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 79% for 2014 and 77% for 2013. 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	19%
Federal and State grants	22%
Ad valorem taxes	37%
Investments & Gifts	1%
Total Non-operating	**79%**



Non-operating detail:	
State appropriations	18%
Federal and State grants	22%
Ad valorem taxes	36%
Investments & Gifts	1%
Total Non-operating	**77%**

Operating expenses are presented on the following page for three years in both a natural and a functional classification. Salaries and wages increased $6 million or 3.7% from fiscal year 2013 to 2014 and remained constant at $160.3 million for fiscal years 2012 and 2013. In fall 2013, a compensation study for staff and administrator positions was completed and new job descriptions and a new compensation structure was developed. 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 a result, compensation adjustments, including benefits, of $6.28 million were approved by the Board in November 2013 for the January to August timeframe.

In 2013, 112 faculty positions were added to increase the total number of positions to 2,598. Full-time positions decreased from 1,004 in 2012 to 750 in 2013, while part-time faculty positions increased from 1,482 in 2012 to 1,848 in 2013. The shift in the mix of faculty positions resulted in instructional salary reductions of $1.3 million, offset by increases in professional staffing for student services and institutional support areas.

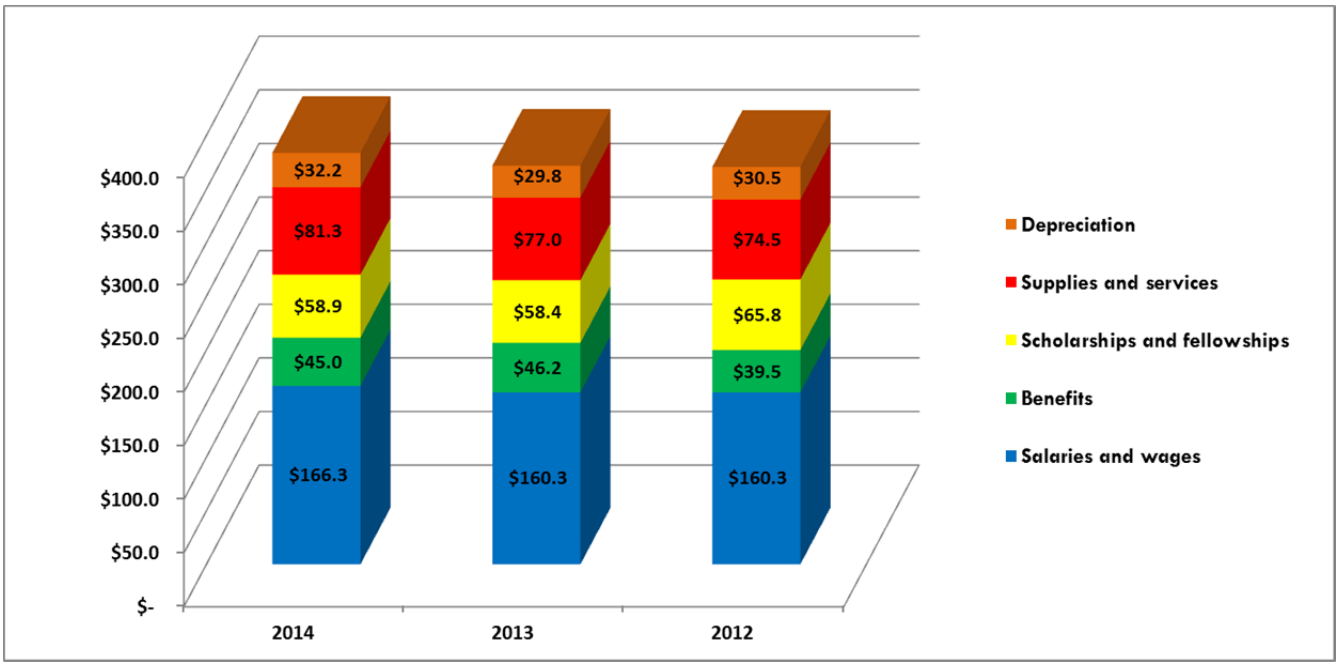
While benefits recorded in 2014 decreased $1.2 million from fiscal year 2013, actual benefits increased approximately $1.9 million as a result of an additional $3.1 million of benefits paid in fiscal year 2013 related to 2012 retirement benefits not funded by the State as decided by the 82nd Texas Legislature's biennium appropriation level. This net increase of $1.9 million correlates with the increase in salaries and wages due to an increase in employees as discussed above. In fiscal year 2013, benefits increased $6.7 million as the State required community colleges to fund fiscal year 2012 shortfalls, which amounted to an additional $3.1 million paid to the Texas Retirement System (TRS) with unrestricted general appropriations. The remaining increase in fiscal year 2013 stems from TRS contributions not paid or accrued in 2012.

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 remained relatively flat in 2014, with a modest increase of approximately $0.5 million. In 2013, scholarships and fellowships expenses decreased $7.4 million from $65.8 to $58.4 million as a result of more stringent federal eligibility requirements for Federal Pell awards and state student aid.

Operating Expenses in Natural Classification
(in millions)

	Fiscal Year			Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Salaries and wages	$ 166.3	$ 160.3	$ 160.3	$ 6.0	$ 0.0
Benefits	45.0	46.2	39.5	(1.2)	6.7
Scholarships and fellowships	58.9	58.4	65.8	0.5	(7.4)
Supplies and services	81.3	77.0	74.1	4.3	2.9
Depreciation	32.2	29.8	30.5	2.4	(0.7)
Total operating expenses	$ 383.7	$ 371.7	$ 370.2	$ 12.0	$ 1.5

Operating Expenses in Natural Classification
(in millions)



Operating Expenses in Functional Classification
(in millions)

	Fiscal Year			Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Instruction	$ 125.9	$ 124.4	$ 128.5	$ 1.5	$ (4.1)
Public service	1.6	0.3	0.3	1.3	-
Academic support	24.7	25.1	26.2	(0.4)	(1.1)
Student services	36.8	32.1	29.1	4.7	3.0
Institutional support	65.2	63.9	53.5	1.3	10.4
Operation and maintenance of plant	36.8	36.2	34.9	0.6	1.3
Depreciation	32.1	29.8	30.5	2.3	(0.7)
Scholarships and fellowships	58.9	58.4	65.8	0.5	(7.4)
Total educational and general expenses	382.0	370.2	368.8	11.8	1.4
Auxiliary enterprise	1.7	1.5	1.4	0.2	0.1
Total operating expenses	$ 383.7	$ 371.7	$ 370.2	$ 12.0	$ 1.5

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 increased $1.5 million in fiscal year 2014 and decreased $4.1 million in fiscal year 2013. The $1.5 million increase in 2014 is related to approved salary increases and retirement incentive costs. The $4.1 million decrease for 2013 is related to changes in the mix of full and part time faculty along with compensation adjustments, slightly offset by TRS costs not incurred in 2012 but required in 2013.

- Public service expense increased by $1.3 million in 2014 due to the completion of the renovation of the Scobee Planetarium and the Challenger Learning Center at San Antonio College.

- Student services increased in fiscal year 2014 by $4.7 million and increased $3.0 million from fiscal year 2012 to 2013. 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 and positions for faculty development, as well as adjunct faculty recruitment. Additionally, $500,000 was invested in a call center established to be used for all five colleges and the district support departments during peak periods in communicating timely, consistent and professional messages to students. Previously, the calls were answered in the various departments and colleges.

- For fiscal year 2014, institutional support increased $1.3 million from fiscal year 2013 and increased $10.4 million from fiscal year 2012 to 2013. 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. TRS costs not incurred in 2012 but required in 2013 account for the largest variance in this category for fiscal year 2013 as well as an additional $3.4 million spent on non-capitalized equipment to enhance user-friendly interaction between students and the student modules of the administrative software system. The District continues to invest in human resources, professional development, asset management, public safety and financial services areas.

- For fiscal year 2014, scholarships and fellowships increased $0.5 million as explained above, after a decrease of $7.4 million in fiscal year 2013.

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.

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 $13.0 million at August 31, 2014 and an overall increase in cash and cash equivalents of approximately $18.9 million at August 31, 2013. 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 $13.0 million decrease in cash and cash equivalents for fiscal year 2014 is primarily related to repayment of operational liabilities and capital related debt. The $18.9 million increase in cash and cash equivalents for fiscal year 2013 is related to the net sale of certain investments held by the District. 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 $769.9 million and $769.2 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2014 and 2013, respectively. Depreciation and amortization expenses totaled $32.2 million in fiscal year 2014 and $29.8 million in fiscal year 2013 (Note 5). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End
(in millions)

	Fiscal Year			Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Land	$ 52.4	$ 52.4	$ 51.3	$ -	$ 1.1
Construction in progress and works of art	18.7	17.9	27.8	0.8	(9.9)
Buildings and building improvements	622.9	625.3	584.7	(2.4)	40.6
Other real estate improvements	65.3	61.1	62.9	4.2	(1.8)
Furniture, machinery and equipment	8.1	9.5	11.2	(1.4)	(1.7)
Software	0.2	0.4	0.5	(0.2)	(0.1)
Library materials	2.3	2.6	2.9	(0.3)	(0.3)
Total capital assets, net of accumulated depreciation	$ 769.9	$ 769.2	$ 741.3	$ 0.7	$ 27.9

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, 2014 and 2013.

Depreciable Capital Assets and Accumulated Depreciation Percentages
(in millions)

	Fiscal Year 2014			Fiscal Year 2013		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	$ 120.7	$ 55.4	45.9%	$ 111.9	$ 50.8	45.4%
Buildings and bldg improvements	810.2	187.3	23.1%	789.5	164.2	20.8%
Furniture, machinery and equipment	36.7	28.6	77.9%	35.4	25.8	72.9%
Software	3.1	2.9	93.5%	3.1	2.7	87.1%
Library materials	16.4	14.0	85.4%	16.2	13.6	84.0%
TOTAL	$ 987.1	$ 288.2	29.2%	$ 956.1	$ 257.1	26.9%

Major capital additions and renovations completed or in progress during fiscal years 2014 and 2013 include the following:

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
Nortwest Vista College - SECO thermal storage tank	2.0
Northeast Lakeview College - SECO thermal storage tank	1.4

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

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 and construction in progress is not depreciated.

The District has entered into several contracts for construction and various other renovation projects financed by bond proceeds. As of August 31, 2014 and 2013, the District was committed for approximately $5.4 million and $30.0 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 $556.7 million and $589.4 million in outstanding bond and maintenance tax note debt at August 31, 2014 and 2013, respectively, before premiums and discounts. Outstanding debt decreased by $32.7 million and $24.5 million in fiscal years 2014 and 2013, 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	
	2014	2013	2012	2013 to 2014	2012 to 2013
General obligation bonds	$ 374.4	$ 383.4	$ 392.0	$ (9.0)	$ (8.6)
Revenue bonds	68.6	73.7	78.1	(5.1)	(4.4)
Tax notes	113.7	132.3	143.8	(18.6)	(11.5)
Total outstanding debt	$ 556.7	$ 589.4	$ 613.9	$ (32.7)	$ (24.5)

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

Notes payable increased $4.4 million in fiscal year 2014 primarily due to additional borrowings of approximately $3.7 million on loans from the State of Texas to implement retrofitting and energy conservation measures and a $875,000 note with the San Antonio River Authority (SARA) for a water treatment plant at the First Responders Academy.

Notes payable increased $12.7 million in fiscal year 2013. A note with the Port San Antonio was signed for $5 million, trading property for training credits and cash. Loans provided by the State of Texas in the amount of $7.7 million were received to implement retrofitting and energy conservation measures. The District also increased the State Energy Conservation Office (SECO) loan by $1,369,920.

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 2014 unemployment rate for San Antonio, the state of Texas and the United States to be 5.0%, 5.5% and 6.3%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states with the San Antonio economy being one of the strongest in the state. In fact, the Texas Workforce Commission reported that as of September 2014, the Texas economy added the most jobs over a 12-month period in the State's history, and the civilian labor force population eclipsed the 13 million mark for the first time.

The Texas Eagle Ford Shale (EFS) drilling activity continues to positively impact the Texas economy. According to a September 2014 report released by the UTSA Institute for Economic Development, oil and gas condensate production in the EFS has grown from 581 barrels per day in 2008 to over 1.1 million barrels per day as of June 2014. The production of oil and natural gas in the EFS generated more than $87 billion in total economic output for the state of Texas in 2013 and by 2023, the region is projected to support more than 196,000 jobs and generate more than $137 billion according to the same study.

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 12% below the national average according to the *San Antonio Economic Development Foundation*. In July 2014, *Forbes* magazine named San Antonio as one of the Top 10 Best Cities for Future Job Growth and the #16 Best Place 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 are now providing approximately 53% of the primary revenue stream for Alamo Colleges. In the past, the State paid a significant portion of health benefits and all of the retirement contribution matches and provided an allocation adequate to cover instruction costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. 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.

Beginning in fiscal year 2015, the Governmental Accounting Standards Board (GASB) will require governmental agencies including community colleges to recognize a liability for future pension benefits for retirees. The state of Texas will allocate to each of the 50 community colleges their proportionate share of the net pension liability for retirees based on current year contributions.

In the future, Alamo Colleges and all Texas community colleges, will continue to face a growing challenge to fund a growing demand for state education services. The leadership of Alamo Colleges continues to strategically analyze

and reduce targeted expenses and make the most of favorable economic conditions by aggressively identifying the demand for workforce development programs and providing them. It will continue to bring the message to the Texas Legislature that budget cuts to community colleges harm 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, 2014 and 2013

	2014	(Restated) 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 20,055,314	$ 26,716,115
Restricted cash and cash equivalents	25,159,437	20,956,752
Investments	59,992,754	47,581,661
Accounts receivable and notes receivable, net of allowance	10,189,892	21,546,834
Other assets	190,652	74,825
Total current assets	115,588,049	116,876,187
Noncurrent assets:		
Restricted cash and cash equivalents	-	10,482,457
Long-term investments - operating	49,527,876	66,424,289
Other assets	4,208,901	3,044,426
Capital assets (net)	769,876,929	769,227,621
Total noncurrent assets	823,613,706	849,178,793
TOTAL ASSETS	939,201,755	966,054,980
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges on debt refundings	7,559,417	7,816,308
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	21,111,599	20,729,981
Funds held for others	694,539	660,310
Unearned Income	30,719,370	32,023,494
Current portion of long-term liabilities	26,893,059	24,492,877
Total current liabilities	79,418,567	77,906,662
Noncurrent liabilities	581,839,426	607,916,590
TOTAL LIABILITIES	661,257,993	685,823,252
NET POSITION		
Net investment in capital assets	180,647,750	170,255,196
Restricted for:		
Expendable		
Student aid	7,949,674	7,556,557
Instructional programs	1,090,359	1,048,399
Capital projects	220,829	370,458
Debt service	9,372,040	7,434,159
Unrestricted	86,222,527	101,383,267
TOTAL NET POSITION (Schedule D)	$ 285,503,179	$ 288,048,036

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, 2013 and 2012

	2013	2012
ASSETS		
Cash and certificates of deposit	$ 2,959,551	$ 2,667,265
Contributions receivable	1,513,643	725,320
Investments:		
Fixed income securities	1,708,448	3,518,450
Mutual funds	4,902,272	2,238,848
Marketable securities	8,469,035	6,990,319
TOTAL ASSETS	19,552,949	16,140,202
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	$ 2,924	$ 3,571
Due to affiliates	64,676	76,077
TOTAL LIABILITIES	67,600	79,648
Net Assets		
Unrestricted	147,762	90,155
Temporarily restricted	7,069,876	4,395,925
Permanently restricted - endowments	12,267,711	11,574,474
TOTAL NET ASSETS	19,485,349	16,060,554
TOTAL LIABILITIES AND NET ASSETS	$ 19,552,949	$ 16,140,202

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

ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1B

Statements of Financial Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
August 31, 2014 and 2013

	2014	2013
ASSETS		
Capital assets - land	$ 5,099,847	$ 5,099,847
Total assets	5,099,847	5,099,847
LIABILITIES		
Note payable	2,000,000	2,000,000
Unearned lease revenue	1,750,000	1,774,000
Interest payable	163,710	85,908
Total liabilities	3,913,710	3,859,908
NET ASSETS		
Unrestricted	1,186,137	1,239,939
Total net assets	1,186,137	1,239,939
TOTAL LIABILITIES AND NET ASSETS	$ 5,099,847	$ 5,099,847

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, 2014 and 2013

	2014	(Restated) 2013
OPERATING REVENUES:		
Tuition and fees (net of discounts of $58,069,473 and $55,044,502, respectively)	$ 58,801,056	$ 64,091,209
Federal grants and contracts	12,765,892	19,138,639
State grants and contracts	4,065,764	3,319,304
Local grants and contracts	1,446,196	1,954,478
Non-governmental grants and contracts	539,737	368,579
Auxiliary enterprises	5,136,606	4,064,360
Other operating revenues	2,829,815	2,992,939
Total operating revenues (Schedule A)	85,585,066	95,929,508
OPERATING EXPENSES:		
Instruction	125,881,630	124,406,113
Public service	1,637,733	329,752
Academic support	24,662,025	25,068,684
Student services	36,774,450	32,083,355
Institutional support	65,230,586	63,871,235
Operation and maintenance of plant	36,790,438	36,178,241
Scholarships and fellowships	58,904,541	58,358,251
Auxiliary enterprises	1,672,175	1,530,550
Depreciation and amortization	32,150,775	29,848,500
Total operating expenses (Schedule B)	383,704,353	371,674,681
Operating loss	(298,119,287)	(275,745,173)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	77,019,978	75,997,901
Ad valorem taxes		
Taxes for maintenance and operations	110,490,520	104,270,919
Taxes for maintenance notes	16,299,867	17,799,310
Taxes for general obligation bonds	30,931,011	26,904,660
Federal grants, non-operating	84,282,146	87,421,356
State grants, non-operating	4,391,725	3,633,715
Gifts	1,658,072	1,425,516
Investment income	1,027,366	221,588
Interest on capital related debt	(19,597,151)	(20,218,417)
Interest on maintenance tax notes	(5,464,867)	(6,319,310)
Other non-operating expenses	(5,464,237)	(5,961,647)
Net non-operating revenues (Schedule C)	295,574,430	285,175,591
(Decrease) increase in net position	(2,544,857)	9,430,418
NET POSITION:		
Net position - beginning of year as restated	288,048,036	278,617,618
Net position - end of year	$ 285,503,179	$ 288,048,036

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, 2013 and 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at January 1, 2012	$ (398,752)	$ 2,670,867	$ 10,405,601	$ 12,677,716
Support and revenue:				
Contributions	99,835	2,756,505	1,143,873	4,000,213
In-kind revenue	480,033	-	-	480,033
Interest and dividend income	18,947	266,197	-	285,144
Gain on investments	474,263	366,085	-	840,348
Net assets released from restrictions	1,638,729	(1,638,729)	-	-
Total revenue	2,711,807	1,750,058	1,143,873	5,605,738
Expenses:				
Program	1,708,088	-	-	1,708,088
General and administrative	355,578	-	-	355,578
Fundraising	159,234	-	-	159,234
Total expenses	2,222,900	-	-	2,222,900
Increase in net assets	488,907	1,750,058	1,143,873	3,382,838
Designated transfers	-	(25,000)	25,000	-
Net assets at December 31, 2012	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 assets 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
Fund-raising	168,606	-	-	168,606
Total expenses	3,491,622	-	-	3,491,622
Increase in net assets	82,607	2,859,661	482,527	3,424,795
Designated transfers	(25,000)	(185,710)	210,710	-
Net assets at December 31, 2013	$ 147,762	$ 7,069,876	$ 12,267,711	$ 19,485,349

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

ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2B

Statements of Activities of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
For Years Ended August 31, 2014 and 2013

	2014	2013
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues		
Lease revenue	$ 24,000	$ 24,000
Total unrestricted revenues	24,000	24,000
Expenses		
Interest expense	77,802	79,241
Total unrestricted expenses	77,802	79,241
Decrease in unrestricted net assets	(53,802)	(55,241)
Decrease in total net assets	(53,802)	(55,241)
Change in total net assets	(53,802)	(55,241)
Net assets, beginning of year	1,239,939	1,295,180
Net assets, end of year	$ 1,186,137	$ 1,239,939

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, 2014 and 2013

	2014	(Restated) 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	$ 63,324,523	$ 59,674,205
Receipts from grants and contracts	20,857,307	24,194,352
Collection of loans to students	221,348	99,919
Other receipts	4,169,609	2,120,664
Payments to or on behalf of employees	(194,816,997)	(194,931,525)
Payments to suppliers for goods and services	(83,023,978)	(74,340,600)
Payments for scholarships and fellowships	(58,596,099)	(58,358,251)
Payment for loans to students	(129,906)	(114,453)
Net cash used by operating activities	(247,994,193)	(241,655,689)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	64,676,499	65,893,383
Receipts from ad valorem taxes	110,448,886	104,445,821
Receipts from non-operating federal and state revenue	90,314,013	93,661,024
Receipts from gifts and grants (other than capital)	79,027	128,456
Receipts from student organizations and other agency transactions	34,229	29,955
Payment for Federal loans issued to students	(28,181,544)	(32,780,422)
Receipts from Federal loans for students	32,923,319	28,037,030
Net cash provided by noncapital financing activities	270,294,429	259,415,247
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	51,384,199	12,726,891
Bond issuance costs	(376,102)	-
Receipts from ad valorem taxes for debt service	47,236,691	44,613,087
Receipts from capital grant contracts, grants and gifts	2,049,215	49,000
Payments for capital assets acquisition and construction of capital assets	(41,013,740)	(65,955,789)
Payments on capital debt - principal	(73,305,000)	(24,515,000)
Payments on capital debt - interest	(26,653,025)	(27,627,278)
Net cash used by capital and related financing activities	(40,677,762)	(60,709,089)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	181,833,363	311,166,607
Interest on investments	951,633	174,823
Purchase of investments	(177,348,043)	(249,556,636)
Net cash provided by investing activities	5,436,953	61,784,794
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(12,940,573)	18,835,263
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	58,155,324	39,320,061
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 45,214,751	$ 58,155,324

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, 2014 and 2013
(continued)

RECONCILIATION OF NET OPERATING LOSS TO NET CASH	2014	(Restated) 2013
USED BY OPERATING ACTIVITIES:		
Operating loss	$ (298,119,287)	$ (275,745,173)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	32,150,775	29,848,500
Donated capital assets	508,330	248,060
Allowance for doubtful accounts	1,636,256	(483,088)
Non-cash state appropriations - on-behalf payments	12,343,479	10,104,518
Changes in assets and liabilities:		
Receivables (net)	2,358,881	(716,772)
Other assets	(1,280,302)	(642,488)
Accounts payable	3,193,361	5,209,102
Unearned income	(1,357,275)	(9,223,515)
Compensable absences	533,493	(30,670)
Workers' compensation accrual	-	(97,926)
Utility escrow	(53,346)	(111,703)
Loans to students	91,442	(14,534)
Net cash used by operating activities	$ (247,994,193)	$ (241,655,689)

SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
State on-behalf payments	$ 12,343,479	$ 10,104,518
Increase (decrease) in fair value of investments	$ 339,738	$ (440,698)
Gifts of depreciable and non-depreciable assets	$ 508,330	$ 248,060
Decrease in rebatable arbitrage liability	$ -	$ (291,302)
Amortization of premium on bonds	$ 2,236,523	$ 1,181,413
Amortization of deferred charges on bond refundings	$ 256,891	$ 338,378

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

1. REPORTING ENTITY

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

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

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 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 it 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). Because the PFC had no cash transactions during the fiscal years presented, a Statement of Cash Flows is not presented. Stand-alone financial statements of the PFC can be obtained from the finance and fiscal services department of Alamo Colleges. Prior to fiscal year 2013, the PFC was included in the financial statements of the District as a blended component unit as discussed in Note 2 below.

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 2014. 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 expenditures for the fiscal year beginning September 1. The District's Board of Trustees adopts the annual budget, which is prepared on the accrual basis of accounting for operating funds and available resources for construction and renewal funds. Copies of the approved budget and subsequent amendments must be filed with the THECB, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents and Investments

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

Accounts and Notes Receivable

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

Other Current Assets

Included in this category are prepaid expenses and inventories.

Investments

Investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity.

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

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's deferred charges on refunding of debt results 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.

Compensable Absences

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

Self-Insurance

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

Net Position

Net Investment in Capital Assets

This category represents the District's total investment in capital assets net of related outstanding debt 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 tuition discount. When the award is used for purposes other than tuition and fees, the amount is recorded as a scholarship expense.

Title IV Higher Education Act (HEA) Program Funds

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

Other Tuition Discounts

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

Operating and Non-operating Expenses

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

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

Restricted Resources

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

Estimates

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Pronouncements

The GASB has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In addition, the Statement now requires debt issuance costs, except any portion related to prepaid insurance costs, to be recognized as an expense in the period incurred. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The District has implemented the provisions of Statement No. 65 in the current fiscal year and has restated certain balances as discussed below.

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 will implement this Statement for the fiscal year ending August 31, 2015 to comply with GASB requirements. The District continues to evaluate the impact of implementation on its financial position, however the impact is expected to be significant.

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 will apply the provisions of this statement simultaneously with the provisions of Statement No. 68.

Reclassifications

In addition to reclassifications discussed below, certain immaterial amounts in the prior year were reclassified in order to be consistent with the current year's presentation.

Prior year restatements

Effective for fiscal year 2014, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Accordingly, the District wrote-off to beginning net position those capitalized bond issuance costs from prior years.

Due to a change in the definition and number of qualifying Board members of the ACCD Public Facility Corporation, the financial information of the PFC is no longer blended with the financial information of the District and is currently reported as a discretely presented component unit. See further discussion at Note 1.

The net position as of September 1, 2012 was adjusted for the effect of restatements of the prior years. The cumulative effect of the beginning net position is as follows:

Net position as of August 31, 2012, as previously reported	$ 285,976,226
Capitalized bond issuance costs expensed	(6,058,671)
Deblending of PFC component unit	(1,299,847)
Net position as of August 31, 2012, as restated	$ 278,617,708

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The result of the restatements and reclassifications on the Statement of Net Position components for fiscal year 2013 is as follows:

	2013		
	As Restated	Previously Reported	Difference
ASSETS			
Cash and cash equivalents	$ 26,716,115	$ 26,716,115	$ -
Restricted cash and cash equivalents	20,956,752	20,956,752	-
Investments	47,581,661	47,581,661	-
Accounts receivable and notes receivable, net of allowance	21,546,834	21,546,834	-
Other assets	74,825	370,551	(295,726)
Restricted cash and cash equivalents	10,482,457	10,482,457	-
Long-term investments - operating	66,424,289	66,424,289	-
Other assets	3,044,426	6,455,930	(3,411,504)
Capital assets (net)	769,227,621	772,527,468	(3,299,847)
Total assets	966,054,980	973,062,057	(7,007,077)
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on debt refundings	7,816,308	-	7,816,308
LIABILITIES			
Accounts payable and accrued liabilities	20,729,981	20,729,981	-
Funds held for others	660,310	660,310	-
Unearned income	32,023,494	32,023,494	-
Current portion of long-term liabilities	24,492,877	24,154,500	338,377
Noncurrent liabilities	607,916,590	600,438,659	7,477,931
Total liabilities	685,823,252	678,006,944	7,816,308
NET POSITION			
Net investment in capital assets	170,255,196	177,262,273	(7,007,077)
Restricted: expendable	16,409,573	16,409,573	-
Unrestricted	101,383,267	101,383,267	-
Total net position	$ 288,048,036	$ 295,055,113	$ (7,007,077)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The result of the restatements and reclassifications on the Statement of Changes in Revenues, Expenses, and Changes in Net Position (functional categories of expenses) for fiscal year 2013 is as follows:

	2013		
	As Restated	As Previously Reported	Difference
OPERATING REVENUES:			
Tuition and fees (net of discounts of $58,069,473 and $55,044,502, respectively)	$ 64,091,209	$ 64,091,209	$ -
Federal grants and contracts	19,138,639	19,138,639	-
State grants and contracts	3,319,304	3,319,304	-
Local grants and contracts	1,954,478	1,954,478	-
Non-governmental grants and contracts	368,579	368,579	-
Auxiliary enterprises	4,064,360	4,064,360	-
Other operating revenues	2,992,939	2,992,939	-
Total operating revenues	95,929,508	95,929,508	-
OPERATING EXPENSES:			
Instruction	124,406,113	124,406,113	-
Public service	329,752	329,752	-
Academic support	25,068,684	25,068,684	-
Student services	32,083,355	32,083,355	-
Institutional support	63,871,235	63,871,235	-
Operation and maintenance of plant	36,178,241	36,178,241	-
Scholarships and fellowships	58,358,251	58,358,251	-
Auxiliary enterprises	1,530,550	1,530,550	-
Depreciation and amortization	29,848,500	29,848,500	-
	247,268,568	247,268,568	-
NON-OPERATING REVENUES/(EXPENSES):			
State appropriations	75,997,901	75,997,901	-
Ad valorem taxes			
Taxes for maintenance and operations	104,270,919	104,270,919	-
Taxes for maintenance notes	17,799,310	17,799,310	-
Taxes for general obligation bonds	26,904,660	26,904,660	-
Federal grants, non-operating	87,421,356	87,421,356	-
State grants, non-operating	3,633,715	3,633,715	-
Gifts	1,425,516	1,425,516	-
Investment income	221,588	221,588	-
Interest on capital related debt	(20,218,417)	(20,569,948)	351,531
Interest on maintenance tax notes	(6,319,310)	(6,319,310)	-
Other non-operating expenses	(5,961,647)	(5,961,647)	-
	285,175,591	284,824,060	351,531
NET POSITION			
Net position - beginning of year	278,617,618	285,976,226	(7,358,608)
Net position - end of year	$ 288,048,036	$ 295,055,113	$ (7,007,077)

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, 2014 and 2013 was $5,058,958 and $8,391,344, respectively. Total bank balances at August 31, 2014 and 2013 equaled $8,050,991 and $9,032,108, 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, 2014 and 2013:

	2014	2013
Bank deposits: Demand deposits	$ 1,839,248	$ 3,119,460
Money market	3,219,710	5,271,884
Total bank deposits	5,058,958	8,391,344
TexPool deposits	40,118,273	49,726,460
Petty cash on hand	37,520	37,520
Total cash and cash equivalents	$ 45,214,751	$ 58,155,324

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 net asset value; however, this is not guaranteed or insured by the State of Texas.

The fair value of investments as of August 31, 2014 and 2013 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.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2014 and 2013:

Type of Security	Fair Value at August 31, 2014	Fair Value at August 31, 2013
U.S. government securities:		
FHLB coupon notes	$ 4,982,500	$ 9,850,000
FNMA coupon notes	19,986,000	24,820,000
FHLMC coupon notes	-	14,631,000
FFCB coupon notes	16,924,681	5,850,000
U.S. Treasury	-	5,031,000
Municipal bonds	7,634,695	8,251,040
Commercial paper	59,992,754	45,572,910
Total	$ 109,520,630	$ 114,005,950

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statement of Net Position on August 31, 2014 and 2013 is as follows:

	Fair Value August 31, 2014	Fair Value August 31, 2013
Total cash and cash equivalents	$ 45,214,751	$ 58,155,324
Total investments	109,520,630	114,005,950
Total	$ 154,735,381	$ 172,161,274
Per Exhibit I:		
Cash and cash equivalents	$ 20,055,314	$ 26,716,115
Restricted cash and cash equivalents - current	25,159,437	20,956,752
Investments - current	59,992,754	47,581,661
Restricted cash and cash equivalents - noncurrent	-	10,482,457
Long-term investments - operating	49,527,876	66,424,289
Total	$ 154,735,381	$ 172,161,274

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.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The District had the following investments and maturities at August 31, 2014 and 2013:

	2014			2013		
Investment Type	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	$ 4,982,500	3.3%	4.888	$ 9,850,000	6.0% ł	3.933
FNMA	19,986,000	13.4% ł	3.503	24,820,000	15.2% ł	3.401
FHLMC	-	0.0%		14,631,000	8.9% ł	2.173
FFCB	16,924,681	11.3% ł	2.410	5,850,000	3.6%	1.433
U.S. Treasury	-	0.0%		5,031,000	3.1%	2.000
Municipal bonds	7,634,695	5.1% ł	1.774	8,251,040	5.0% ł	1.608
Commercial paper	59,992,754	40.1% ł	0.709	45,572,910	27.8% ł	0.546
TexPool	40,118,273	26.8% ł	0.003	49,726,460	30.4% ł	0.003
Total	$ 149,638,903	100.0%		$ 163,732,410	100.0%	
Portfolio weighted average maturity at August 31			1.279			1.293

* 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, 2014, TexPool was rated AAAm. All other credit standards are governed by the District's investment policy, which is in compliance or exceeded state statutes for credit standards. These state standards include: commercial paper rated no less than A-1 or P-1 by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank; obligations of states, agencies, counties, cities and other political subdivisions rated no less than A or its equivalent by a nationally recognized investment rating firm.

Below is a list of the individual investments held and their respective credit ratings as of August 31, 2014:

Issuer	Credit rating
FHLB	AA+ /Aaa
FNMA	AA+ /Aaa /AAA
FFCB	AA+ /Aaa /AAA
Vanderbilt University	A1+ /P1 /F1+
Stanford University	A-1+/P-1
JPMorgan Securities	A-1/P-1/F1+
Toyota Mtr Cr	A1+ /P1
GE Capital Corp	A1+/ P1
Wells Fargo & Co	A-1/P-1/F1+
University of Houston	A1+/P-1
University of Texas	A1+ /P1 /F1+
Lamar ISD	AAA/Aaa
TX Trans Comm Hwy Impt GO	AA+/Aaa+/AAA
City of El Paso, Texas	AA/Aa/AA

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, 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

5. CAPITAL ASSETS (continued)

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

	Balance 9/1/2012	Increases	Decreases	Balance 8/31/2013
Not Depreciated:				
Land	$ 51,324,306	$ 1,219,469	$ 150,000	$ 52,393,775
Works of art	169,971	6,250	-	176,221
Construction in progress	27,597,853	16,507,856	26,363,962	17,741,747
Subtotal	79,092,130	17,733,575	26,513,962	70,311,743
Subject to Depreciation:				
Buildings and building improvements	728,641,726	61,154,707	321,173	789,475,260
Other real estate improvements	109,151,974	2,771,742	-	111,923,716
Total buildings and other real estate improvements	837,793,700	63,926,449	321,173	901,398,976
Software	3,050,711	23,618	-	3,074,329
Furniture, machinery, and equipment	35,078,588	2,633,322	2,341,144	35,370,766
Library materials	16,098,494	129,709	-	16,228,203
Total buildings and other capital assets	892,021,493	66,713,098	2,662,317	956,072,274
Accumulated Depreciation:				
Buildings and building improvements	143,913,393	20,527,203	234,127	164,206,469
Other real estate improvements	46,227,071	4,550,541	-	50,777,612
Total buildings and other real estate improvements	190,140,464	25,077,744	234,127	214,984,081
Software	2,541,055	167,611	-	2,708,666
Furniture, machinery, and equipment	23,859,685	4,206,457	2,230,094	25,836,048
Library materials	13,230,914	396,687	-	13,627,601
Total accumulated depreciation	229,772,118	29,848,499	2,464,221	257,156,396
Net capital assets	$741,341,505	$ 54,598,174	$ 26,712,058	$ 769,227,621

6. NONCURRENT LIABILITIES

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

	Total Liabilities				
	Balance 09/01/13	Additions	Reductions	Balance 08/31/14	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
Arbitrage liability	-	-	-	-	-
Total noncurrent liabilities	$ 632,409,467	$ 52,704,031	$ 76,381,013	$ 608,732,485	$ 26,893,059

As of August 31, 2013, noncurrent liabilities are $607,916,590 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 09/01/12	Additions	Reductions	Balance 08/31/13	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 392,045,000	$ -	$ 8,625,000	$ 383,420,000	$ 9,050,000
Revenue bonds	78,095,000	-	4,410,000	73,685,000	5,055,000
Maintenance tax notes	143,825,000	-	11,480,000	132,345,000	8,540,000
Premium on bonds payable	25,057,493	-	1,181,413	23,876,080	1,180,458
Subtotal	639,022,493	-	25,696,413	613,326,080	23,825,458
Notes payable	-	12,836,890	110,000	12,726,890	-
Compensable absences	5,164,671	371,629	402,299	5,134,001	614,267
Unearned income	1,275,648	-	53,152	1,222,496	53,152
Arbitrage liability	291,302	-	291,302	-	-
Total noncurrent liabilities	$ 645,754,114	$ 13,208,519	$ 26,553,166	$ 632,409,467	$ 24,492,877

7. DEBT AND LEASE OBLIGATIONS

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

Debt service requirements at August 31, 2013 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
2014	$ 9,050	$ 17,863	$ 5,055	$ 2,448	$ 8,540	$ 6,179	$ 22,645	$ 26,490
2015	9,500	17,420	4,655	2,409	8,900	5,809	23,055	25,638
2016	9,955	16,961	4,720	2,356	9,270	5,442	23,945	24,759
2017	10,490	16,428	4,780	2,288	6,880	5,102	22,150	23,818
2018	11,000	15,921	4,870	2,202	7,210	4,777	23,080	22,900
2019-2023	63,735	70,853	26,365	8,135	41,970	17,961	132,070	96,949
2024-2028	80,410	54,177	14,280	2,588	40,340	6,449	135,030	63,214
2029-2033	100,035	33,838	5,560	1,049	9,235	708	114,830	35,595
2034-2038	89,245	9,274	3,400	261	-	-	92,645	9,535
TOTAL	$ 383,420	$ 252,735	$ 73,685	$ 23,736	$ 132,345	$ 52,427	$ 589,450	$ 328,898

Rental payments of $1,233,000 and $1,317,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2014 and 2013, 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, 2014 and 2013 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Interest Rates	Balance August 31, 2014	Balance August 31, 2013
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%	$ 39,250,000	$ 40,275,000
2006A	Construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006.	49,580,000	4.0% - 5.0%	46,245,000	47,410,000
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	271,085,000	4.5% - 5.625%	179,370,000	185,035,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.5% - 5.5%	35,395,000	36,590,000
2012	Refund certain of the District's outstanding Limited Bonds Series 2007 and 2007A. Issued July 12, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000
			Subtotal - General Obligation Bonds	$ 374,370,000	$ 383,420,000
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%	21,875,000	23,200,000
2007	Purchase equipment, vehicles and renovate various facilities. Issued September 18, 2007.	81,110,000	5.0%	7,725,000	61,795,000
2011	Renovate and repair existing District facilities. Issued August 5, 2011.	54,795,000	3.0% - 5.0%	43,405,000	47,350,000
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Issued February 27, 2014.	40,665,000	4.0% - 5.5%	40,665,000	-
			Subtotal - Maintenance Tax Notes	$ 113,670,000	$ 132,345,000
Revenue Financing System (Repayment source - Pledged revenues*)					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Issued March 22, 2012.	$ 55,800,000	1.625% - 5.25%	$ 55,400,000	$ 55,800,000
2012B	Refund remainder of the District's outstanding Combined Fee Revenue bonds (taxable issue). Issued March 22, 2012.	22,295,000	0.895% - 1.8444%	13,230,000	17,885,000
			Subtotal - Revenue Financing System Bonds	$ 68,630,000	$ 73,685,000
Total Bonds				**$ 556,670,000**	**$ 589,450,000**

*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 $386,250 to $19,903,500 with interest rates from 0.895% to 5.625%, with the final installment due in fiscal year 2037.

The District cash defeased and refunded certain outstanding bonds in the fiscal year ended August 31, 2014.

In November 2013, 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 $2,295,000. The purpose of the defeasance was to reduce the outstanding debt service payments. The bonds defeased were term bonds maturing in 2027 with a coupon rate of 5%. The economic gain was approximately $1,513,850.

In February 2014, the District issued $40,665,000 of Maintenance Tax Refunding Bonds Series 2014. The bonds were used to refund certain then-outstanding Series 2007 Maintenance Tax Notes. The bonds issued for the refunding were issued at an average interest rate of 1.86% to refund a principal amount of $48,505,000 of the District's Maintenance Tax Notes, Series 2007, having an average interest rate of 5.13%. The District contributed $2,125,000 of cash to the transaction. The proceeds of $46,892,825, which included a premium of $6,424,897 and were net of $197,072

8. BONDS AND TAX NOTES PAYABLE (continued)

issuance costs, were used to purchase U.S. government securities. These securities were deposited into an irrevocable trust with an escrow agent to provide for repayment on the refunded bonds, which occurred in April 2014. The refunding resulted in an accounting loss on refunding of $86,364, which will be amortized over the life of the bonds. The refunding produced a net present value economic gain of $8,967,646 (the difference between the present value of the debt service payments on the old and new debt). This refunding also produced $11,373,408 in future cash flow savings resulting from a decrease in the aggregate debt service payments through fiscal year 2025, the term of the refunded bonds. The refunding bonds pay interest February 15 and August 15 of each year and are scheduled to mature in 2023. The bonds will be repaid from ad valorem taxes.

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

In August 2013, the District cash defeased the entire then-outstanding obligations designated as Alamo Community College District Maintenance Tax Notes, Series 2005 in the amount of $1,390,000. The purpose of this defeasance was to reduce the outstanding debt service payments. The bonds defeased were serial bonds with maturities from 2014 to 2018 with coupon rates ranging from 3.8% to 4.0 %. The District's total debt service payments over the next 5 years will be reduced by $1,505,378 to produce an economic gain of $108,000.

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

The Treasury's temporary regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. A rebate computation and payment to the Treasury, if applicable, are required to be made at least every five years or each "Rebate Installment Computation Date" and upon final redemption or maturity of the bonds. The amount reserved for arbitrage rebate is reflected as part of noncurrent liabilities in the amount of $0 and $0 as of August 31, 2014 and 2013, respectively.

9. DEFEASED BONDS OUTSTANDING

As of August 31, 2014, the District had the following defeased bonds outstanding:

Bond Issue	Year Refunded	Par Value Outstanding	
		2014	2013
Combined Fee Revenue 2003	2012	$ -	$ 1,225,000
Combined Fee Revenue 2004	2012	5,445,000	5,675,000
Combined Fee Revenue 2005	2012	1,085,000	1,280,000
Combined Fee Revenue 2007	2012	23,895,000	25,155,000
Combined Fee Revenue 2007A	2012	4,200,000	4,345,000
		$ 34,625,000	$ 37,680,000

10. EMPLOYEES' RETIREMENT PLANS

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

Teacher Retirement System of Texas

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

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature. The state funding policy is as follows: (1) the State constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system; and (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action. Senate Bill 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district. In certain instances the District is required to make all or a portion of the State's contribution.

During fiscal year 2014, the State required the District to pay to TRS on behalf of District employees $5,720,000 for retirement benefits not funded by the State.

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

Optional Retirement Plan (ORP)

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

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas state legislature. 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, 2014, 2013 and 2012 are as follows:

	2014	2013	2012
Payroll - all District employees	$ 164,607,856	$ 160,292,000	$ 160,300,000
Payroll - TRS participants	101,833,288	98,316,000	92,700,000
Payroll - ORP participants	37,887,806	38,249,000	39,400,000
Total required annual contributions:			
Retirement expense - State	$ 3,640,000	$ 4,100,000	$ 4,000,000
Retirement expense - District	5,720,000	8,000,000 *	1,100,000 *
State contribution percentages - TRS	6.80%	6.40%	6.00%
Participant contribution percentages - TRS	6.40%	6.40%	6.40%
State contribution percentages - ORP	6.60%	6.00%	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 $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.

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

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, 2014 and 2013 for annual leave was approximately $5,700,000 and $5,100,000, respectively.

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2014 and 2013 were as follows:

	2014	2013
Tuition and fees receivable	$ 11,722,272	$ 11,657,271
Taxes receivable	6,244,342	6,485,829
Contracts and grants receivable	2,466,413	10,888,048
Interest receivable	225,800	150,067
Notes receivable	62,406	110,823
Other receivables	2,292,105	4,685,050
Subtotal	23,013,338	33,977,088
Less allowance for doubtful accounts:		
Tution and fees receivable	7,661,490	6,905,504
Taxes receivable	4,759,015	5,036,323
Notes receivable	62,406	19,381
Other receivables	340,535	469,046
Net accounts receivable	$ 10,189,892	$ 21,546,834

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, 2014 and 2013 were as follows:

	2014	2013
Accounts payable to vendors	$ 6,530,245	$ 7,649,289
Accrued liabilities:		
Salaries and benefits	8,598,143	4,897,760
Construction retainage	3,170,232	5,329,130
Bond interest	1,844,390	1,831,867
Workers' compensation claims	671,627	671,627
Other	296,962	350,308
Total accounts payable and accrued liabilities	$ 21,111,599	$ 20,729,981

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 $694,539 as of August 31, 2014 and $660,310 as of August 31, 2013.

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, 2014 and 2013 for which no expenses have been incurred, totaled approximately $35,300,000 and $33,500,000, respectively.

16. SELF-INSURED AND RISK MANAGEMENT PLANS

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

The District's Workers' Compensation Self-Insurance Fund (the Fund) is administered by a third party. Through the Fund, the District self-insures workers' compensation claims up to $350,000 per occurrence. Individual losses of over $350,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, approximately $2,900,000 of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately $672,000 and $672,000 at August 31, 2014 and 2013, 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, 2014 and 2013 respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2014	$ 671,627	$ 920,825	$ (920,825)	$ 671,627
2013	769,553	908,029	(1,005,955)	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 $503 and $984 per month for the year ended August 31, 2014 and between approximately $470 and $920 per month for the year ended August 31, 2013. 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	2014	2013
Number of Retirees	1,009	959
Cost of Health Benefits for Retirees	5,992,636	5,635,315
Number of Active Full Time Employees	2,351	2,401
Cost of Health Benefits for Active Full Time Employees	15,890,351	14,945,169
State Appropriation for Health Insurance	9,936,318	8,235,050
District's Expense for Health Insurance	11,946,669	12,345,434

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, 2014, 2013, and 2012 were $332,528, $276,355 and $242,217, respectively, which equaled the required contributions each year.

18. AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business property located in the District. General information follows for the years ended August 31, 2014 and 2013.

18. AD VALOREM TAX (continued)

	2014 [1]	2013 [2]
Assessed valuation of the District	$ 117,710,052,985	$ 112,006,094,206
Less : Exemptions	(10,595,670,602)	(10,294,806,815)
Tax increment financings	(172,476,222)	(150,444,368)
Net assessed valuation of the District	$ 106,941,906,161	$ 101,560,843,023

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2013 supplement 133)

(2) Based on Supplement to the Certified Total (ARB Approved 2012 supplement 120)

The authorized and assessed property tax rates for the years ended August 31, 2014 and 2013 are as follows:

	2014			2013		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax rate per $100 valuation authorized	$ -	$ -	$ 0.25000000	$ -	$ -	$ 0.25000000
Tax rate per $100 valuation assessed	$ 0.10440000	$ 0.04475000	$ 0.14915000	$ 0.10440000	$ 0.04475000	$ 0.14915000

Taxes levied for the years ended August 31, 2014 and 2013 were approximately $157,087,000 and $148,541,000, 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, 2014 and 2013 is as follows:

	2014			2013		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	$ 107,975,935	$ 46,284,268	$ 154,260,203	$ 102,147,374	$ 43,791,124	$ 145,938,498
Tax increment financings payment	(194,531)	-	(194,531)	(133,826)	-	(133,826)
Delinquent taxes collected	1,236,794	555,546	1,792,340	1,105,807	509,553	1,615,360
Penalties and interest	1,388,879	355,298	1,744,177	1,298,807	344,254	1,643,061
Total	$ 110,407,077	$ 47,195,112	$ 157,602,189	$ 104,418,162	$ 44,644,931	$ 149,063,093

Tax collections for the years ended August 31, 2014 and 2013 were 98.73% and 98.53%, 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, 2014 or 2013.

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, 2014, 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, 2014 and 2013, the District was committed for approximately $5,427,000 and $30,000,000, respectively.

22. 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, 2013 and 2012:

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.

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 assets:

- *Unrestricted Net Assets* – These are net assets that are not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.
- *Temporarily Restricted Net Assets* – These are net assets that are subject to donor imposed stipulations that require the passage of time and/or the occurrence of a specific event.
- *Permanently Restricted Net Assets* – These are net assets 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.

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.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 assets, liabilities and net assets. Realized and unrealized gains and losses are reported in the statements of support, revenue and expenses as changes in temporarily restricted net assets, 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 asset balances are included in temporarily restricted net assets 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 assets are reclassified as unrestricted net assets and reported in the statements of support, revenue and expenses as net assets 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.

Fixed 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.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Fundraising activities are directed at soliciting and receiving funds, gifts, grants, and property to enable the Foundation to fulfill its purpose.

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.

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 assets in the reporting period in which the contribution is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted in perpetuity by the donor are recorded as permanently restricted net assets. In accordance with donor restrictions, income earned from permanently restricted net assets are recorded as temporarily restricted net assets until such income is released from restrictions.

Change in accounting method

The financial statements of the Foundation for the years ended December 31, 2012 and 2013 have been restated to convert from the modified cash basis of accounting to the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The decision to change the accounting method was made to enhance the comparability of the Foundation's financial statements by further aligning with industry standards.

The net assets as of January 1, 2012 were adjusted for the effect of restatements of the prior years. The cumulative effect of the beginning net assets is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets as of December 31, 2011, as previously reported	$ (382,721)	$ 2,744,566	$ 10,405,601	$ 12,767,446
Cumulative effect of change in accounting method	(16,031)	(73,699)	-	(89,730)
Net assets as of December 31, 2011, as restated	$ (398,752)	$ 2,670,867	$ 10,405,601	$ 12,677,716

C - INVESTMENTS

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

	2013		2012	
Type of Security	Cost	Fair Value	Cost	Fair Value
Fixed income securities	$ 1,741,295	$ 1,708,448	$ 3,390,102	$ 3,518,450
Mutual funds	4,980,917	4,902,272	2,235,296	2,238,848
Marketable securities	6,543,575	8,469,035	6,507,105	6,990,319
Total	$ 13,265,787	$ 15,079,755	$ 12,132,503	$ 12,747,617

Net investment income is comprised of the following:

	2013	2012
Interest and dividend income (net of investment expense in 2013)	$ 236,226	$ 285,144
Gain on investments	1,776,115	840,348
Total	$ 2,012,341	$ 1,125,492

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, 2013 and 2012 are as follows:

	Program	General and Administrative	Fundraising	Total
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
Investment advisor fees	-	-	-	-
Other	1,988	5,571	5,189	12,748
Total	$ 2,986,843	$ 336,173	$ 168,606	$ 3,491,622
Year ended December 31, 2012:				
Scholarships and educational support	$ 1,625,301	$ -	$ -	$ 1,625,301
Salaries and benefits	71,673	200,847	136,856	409,376
Office and administrative	2,147	14,442	4,101	20,690
Rent	-	7,177	1,560	8,737
Professional services	1,190	2,328	2,272	5,790
Professional development, fees and subscriptions	4,920	8,398	9,395	22,713
Software acquisition, maintenance and support	32	33,685	62	33,779
Investment advisor fees	-	80,787	-	80,787
Other	2,825	7,914	4,988	15,727
Total	$ 1,708,088	$ 355,578	$ 159,234	$ 2,222,900

D – FUNCTIONAL EXPENSES (continued)

In 2013 the Foundation elected to have its investment expenses paid by the earnings from investments. In prior years, investment expenses were paid as a general and administrative expense. Total investment expenses in 2013 were $124,770.

E – ENDOWMENT NET ASSETS

The Foundation's endowment consists of 153 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 assets 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 assets (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 assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by 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 assets.

Endowment net assets and classifications of related unappropriated income at December 31, 2013 and 2012:

	Temporarily Restricted	Permanently Restricted	Total
As of December 31, 2013			
Endowment funds	$ 3,047,415	$ 12,267,711	$ 15,315,126
As of December 31, 2012			
Endowment funds	$ 1,388,579	$ 11,574,474	$ 12,963,053

E – ENDOWMENT NET ASSETS (continued)

The changes in endowment net assets and related income classification for the year ended December 31, 2013 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning of the year	$ 1,388,579	$ 11,574,474	$ 12,963,053
Contributions	-	482,527	482,527
Investment return			
Interest and dividends	236,226	-	236,226
Gain/loss on investments	1,776,115	-	1,776,115
Total revenues	2,012,341	482,527	2,494,868
Designated transfer	(33,604)	210,710	177,106
Deductions			
Net assets released from restrictions	(319,901)	-	(319,901)
Increase in net assets	1,658,836	693,237	2,352,073
End of year	$ 3,047,415	$ 12,267,711	$ 15,315,126

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 2013 was 2.5%. The rate for 2014 has been set at 4.5%.

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 assets approximate their fair values at December 31, 2013 and 2012. 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 asset 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, 2013 follows:

	2013				2012
	Level 1	Level 2	Level 3	Total	Total
Fixed income securities	$ -	$ 1,708,448	$ -	$ 1,708,448	$ 3,518,450
Mutual funds	4,902,272	-	-	4,902,272	2,238,848
Marketable securities	8,469,035	-	-	8,469,035	6,990,319
Total	$ 13,371,307	$ 1,708,448	$ -	$ 15,079,755	$ 12,747,617

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 year ended December 31, 2013 and 2012 was valued at approximately $506,237 and $480,033, 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, 2013 and 2012, the Foundation remitted the total of $1,488,883 and $1,535,253 to the Alamo Colleges to fund approximately 1,400 and 1,500 scholarships respectively. The total scholarship funds due from the Foundation to the Alamo Colleges at December 31, 2013 and 2012 was $64,676 and $76,077, respectively. These amounts have been included in the due to affiliate balances in the accompanying financial statements.

H – FUTURE COMMITMENTS

At December 31, 2013, 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
Thereafter	100,000
Total	$ 200,000

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 ASSETS

Unrestricted net assets are comprised of net assets that are not subject to donor-imposed stipulations. The balances comprising unrestricted net assets as of December 31, 2013 and 2012 were $147,762 and $90,155, respectively.

L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2014, the date the restated financial statements were available to be issued. No changes are necessary to be made to the financial statements as a result of this evaluation.

23. 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, 2014 and 2013:

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.

The PFC is governed by a three-member Board consisting of the Chairperson, Vice-Chairperson and Treasurer 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
These financial statements are 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 in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Capital Assets
Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition. Capital assets consist of land.

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.

C - CAPITAL ASSETS

Capital assets consist of land and therefore no depreciation is required. Activity for the years ended August 31, 2014 and 2013 was as follows:

	Balance 9/1/2012	Increases	Decreases	Balance 8/31/2013	Increases	Decreases	Balance 8/31/2014
Land	$ 5,099,847	$ -	$ -	$ 5,099,847	$ -	$ -	$ 5,099,847

D - LIABILITIES

Liabilities consist of a note payable 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 $163,710 and $85,908 at August 31, 2014 and 2013, respectively.

As of August 31, 2014, liabilities are $3,913,710 with activity for the fiscal year as follows:

	Total Liabilities			
	Balance 09/01/13	Additions	Reductions	Balance 08/31/14
Notes payable	$ 2,000,000	$ -	$ -	$ 2,000,000
Unearned lease revenue	1,774,000	-	24,000	1,750,000
Interest payable	85,908	77,802	-	163,710
Total liabilities	$ 3,859,908	$ 77,802	$ 24,000	$ 3,913,710

D – LIABILITIES (continued)

As of August 31, 2013, liabilities are $3,859,908 with activity for the fiscal year as follows:

	Total Liabilities			
	Balance 09/01/12	Additions	Reductions	Balance 08/31/13
Note payable	$ 2,000,000	$ -	$ -	$ 2,000,000
Unearned lease revenue	1,798,000	-	24,000	1,774,000
Interest payable	6,667	79,241	-	85,908
Total liabilities	$ 3,804,667	$ 79,241	$ 24,000	$ 3,859,908

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 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 is recognizing lease revenue on a monthly basis over the life of the lease. The PFC recognized $24,000 for the years ended August 31, 2014 and 2013. 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.

G - SUBSEQUENT EVENTS

On October 9, 2014, as a result of the closing of permanent refinancing for the Tobin Lofts, LLC property, the PFC earned and collected contractual development fees in the amount of $223,775.

Supplementary Information

ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY14 Total	FY13 Total
OPERATING REVENUES:						
Tuition						
State funded courses						
In District resident tuition	$ 73,375,037	$ -	$ 73,375,037	$ -	$ 73,375,037	$ 74,753,440
Out of District resident tuition	21,359,211	-	21,359,211	-	21,359,211	21,531,053
Non-resident tuition	7,001,764	-	7,001,764	-	7,001,764	6,819,734
TPEG - credit set aside*	4,821,456	-	4,821,456	-	4,821,456	5,702,330
State-funded continuing education	1,918,270	-	1,918,270	-	1,918,270	1,577,836
TPEG - Non-credit set aside*	239,210	-	239,210	-	239,210	414,599
Non-State funded continuing education	1,372,098	-	1,372,098	-	1,372,098	1,209,007
Total tuition	110,087,046	-	110,087,046	-	110,087,046	112,007,999
Fees						
General fee	-	-	-	-	-	-
Other	6,783,483	-	6,783,483	-	6,783,483	7,127,712
Total fees	6,783,483	-	6,783,483	-	6,783,483	7,127,712
Total tuition and fees	116,870,529	-	116,870,529	-	116,870,529	119,135,711
Allowances and discounts		-		-		
Institutional allowances and scholarships	(1,960,080)	-	(1,960,080)	-	(1,960,080)	(655,860)
Remissions and exemptions - state	(4,548,655)	-	(4,548,655)	-	(4,548,655)	(3,994,692)
Remissions and exemptions - local - dual credit	(13,647,666)	-	(13,647,666)	-	(13,647,666)	(12,569,059)
Federal grants to students	-	(32,546,388)	(32,546,388)	-	(32,546,388)	(33,851,319)
TPEG awards	-	(1,319,486)	(1,319,486)	-	(1,319,486)	(1,071,613)
State grants to students	-	(1,794,914)	(1,794,914)	-	(1,794,914)	(1,401,272)
Other local awards	-	(2,252,284)	(2,252,284)	-	(2,252,284)	(1,500,687)
Total allowances and discounts	(20,156,401)	(37,913,072)	(58,069,473)	-	(58,069,473)	(55,044,502)
Total net tuition and fees	96,714,128	(37,913,072)	58,801,056	-	58,801,056	64,091,209
Other operating revenues		-		-		
Federal grants and contracts	278,444	12,487,448	12,765,892	-	12,765,892	19,138,639
State grants and contracts	-	4,065,764	4,065,764	-	4,065,764	3,319,304
Local grants and contracts	958,187	488,009	1,446,196	-	1,446,196	1,954,478
Non-governmental grants and contracts	10,000	529,737	539,737	-	539,737	368,579
Other operating revenues	2,822,890	6,925	2,829,815	-	2,829,815	2,992,939
Total other operating revenues	4,069,521	17,577,883	21,647,404	-	21,647,404	27,773,939
Sales and services of auxiliary enterprises				-		
Bookstore commission	-	-	-	998,883	998,883	1,396,138
Palo Alto College natatorium	-	-	-	346,278	346,278	322,613
Day care centers	-	-	-	739,512	739,512	378,526
Vending machines/copiers	-	-	-	339,644	339,644	318,068
Parking permits and fines	-	-	-	2,571,119	2,571,119	1,459,901
Other	-	-	-	141,170	141,170	189,114
Total sales and services of auxiliary enterprises				5,136,606	5,136,606	4,064,360
Total operating revenues	$ 100,783,649	$ (20,335,189)	$ 80,448,460	$ 5,136,606	$ 85,585,066	$ 95,929,508
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, $5,060,666 and $6,116,929 for the years August 31, 2014 and 2013, 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, 2014
With Memorandum Totals for the Year Ended August 31, 2013

	Operating Expenses					
	Salaries	Benefits		Other	FY14	FY13
	and Wages	State	Local	Expenses	Total	Total
Unrestricted - educational activities						
Instruction	$ 85,040,584	-	$ 14,628,691	$ 12,748,798	$ 112,418,073	$ 109,964,474
Public service	248,388	-	38,773	1,328,187	1,615,348	304,343
Academic support	13,790,916	-	2,696,089	5,121,413	21,608,418	20,946,656
Student services	21,543,831	-	4,258,923	7,210,427	33,013,181	28,656,166
Institutional support	32,045,883	-	6,045,335	21,252,991	59,344,209	56,186,424
Operation and maintenance of plant	7,074,964	-	2,229,522	27,485,044	36,789,530	36,178,241
Scholarships and fellowships	-	-	-	308,442	308,442	317,969
Total unrestricted educational activities	159,744,566	-	29,897,333	75,455,302	265,097,201	252,554,273
Restricted - educational activities						
Instruction	2,733,598	6,647,171	643,666	3,439,122	13,463,557	14,441,639
Public service	-	20,748	-	1,637	22,385	25,409
Academic support	767,942	1,391,298	173,208	721,159	3,053,607	4,122,028
Student services	903,423	2,212,503	180,101	465,242	3,761,269	3,427,189
Institutional support	1,363,002	3,307,340	278,815	937,220	5,886,377	7,684,811
Operation and maintenance of plant	-	-	-	908	908	-
Scholarships and fellowships	-	-	-	58,596,099	58,596,099	58,040,282
Total restricted educational activities	5,767,965	13,579,060	1,275,790	64,161,387	84,784,202	87,741,358
Total educational activities	165,512,531	13,579,060	31,173,123	139,616,689	349,881,403	340,295,631
Auxiliary enterprises - unrestricted	824,789	-	245,150	321,423	1,391,362	1,375,735
Auxiliary enterprises - restricted	922	-	-	279,891	280,813	154,815
Depreciation expense - buildings	-	-	-	27,520,856	27,520,856	25,077,744
Depreciation expense - equipment	-	-	-	4,629,919	4,629,919	4,770,756
Total operating expenses	$ 166,338,242	$ 13,579,060	$ 31,418,273	$ 172,368,778	$ 383,704,353	$ 371,674,681
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY14 Total	FY13 Total
NON-OPERATING REVENUES:						
State appropriations						
Education and general state support	$ 63,440,918	$ -	$ 63,440,918	$ -	$ 63,440,918	$ 63,625,883
State group insurance	-	9,936,318	9,936,318	-	9,936,318	8,235,049
State retirement match	-	3,642,742	3,642,742	-	3,642,742	4,136,969
Ad valorem taxes						
Taxes for maintenance and operations	110,490,520	-	110,490,520	-	110,490,520	104,270,919
Taxes for maintenance and operations-MTN	16,299,867	-	16,299,867	-	16,299,867	17,799,310
Taxes for debt service	-	30,931,011	30,931,011	-	30,931,011	26,904,660
Federal revenue, non-operating	-	84,282,146	84,282,146	-	84,282,146	87,421,356
State revenue, non-operating	-	4,391,725	4,391,725	-	4,391,725	3,633,715
Gifts	471,333	1,186,739	1,658,072	-	1,658,072	1,425,516
Investment income	1,016,883	10,483	1,027,366	-	1,027,366	221,588
Total non-operating revenues	191,719,521	134,381,164	326,100,685	-	326,100,685	317,674,965
NON-OPERATING EXPENSES:						
Interest on capital related debt	-	(19,597,151)	(19,597,151)	-	(19,597,151)	(20,218,417)
Interest on capital related debt-MTN	-	(5,464,867)	(5,464,867)	-	(5,464,867)	(6,319,310)
Loss on disposal of capital assets	-	(144,454)	(144,454)	-	(144,454)	(348,095)
Arbitrage rebate expense	-	-	-	-	-	-
Other non-operating expenses	-	(5,319,783)	(5,319,783)	-	(5,319,783)	(5,613,552)
Total non-operating expenses	-	(30,526,255)	(30,526,255)	-	(30,526,255)	(32,499,374)
Net non-operating revenues	$ 191,719,521	$ 103,854,909	$ 295,574,430	$ -	$ 295,574,430	$ 285,175,591
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2014
With Memorandum Totals for the Year Ended August 31, 2013

	Detail by Source					Available for Current Operations	
		Restricted		Capital Assets Net of Depreciation & Related Debt			
	Unrestricted	Expendable	Non-Expendable		Total	Yes	No
Current:							
Unrestricted	$ 65,440,950	$ -	$ -	$ -	$ 65,440,950	$ 65,440,950	$ -
Board-designated	2,864,743	-	-	-	2,864,743	-	2,864,743
Restricted	-	9,260,862	-	-	9,260,862	-	9,260,862
Auxiliary enterprises	5,897,271	-	-	-	5,897,271	5,897,271	-
Loan	203,259	-	-	-	203,259	-	203,259
Plant:							
Unexpended	7,895,722	-	-	-	7,895,722	-	7,895,722
Renewals	3,920,582	-	-	-	3,920,582	-	3,920,582
Debt service	-	9,372,040	-	-	9,372,040	-	9,372,040
Investment in plant	-	-	-	180,647,750	180,647,750	-	180,647,750
Total net position, August 31, 2014	86,222,527	18,632,902	-	180,647,750	285,503,179 (Exhibit 1)	71,338,221	214,164,958
Total net position, August 31, 2013	101,383,267	16,409,573	-	170,255,196	288,048,036 (Exhibit 1)	78,722,086	209,325,950
Net increase (decrease) in net position	$ (15,160,740)	$ 2,223,329	$ -	$ 10,392,554	$ (2,544,857) (Exhibit 2)	$ (7,383,865)	$ 4,839,008

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
Direct Program:			
Hispanic Serving Institutions Education Grants	10.223		$ (966)
Pass-Throughs From:			
Texas State University			
Hispanic Serving Institutions Education Grants	10.223	1640.3A	37,755
Hispanic Serving Institutions Education Grants	10.223	1640.2	15,000
Total CFDA 10.223			52,755
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	75N8022	27,251
TOTAL U.S. DEPARTMENT OF AGRICULTURE			**79,040**
U.S. DEPARTMENT OF LABOR			
Direct Programs:			
Community Based Job Training Grants	17.269		587,140
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		149,250
Total Direct Programs			736,390
Pass-Through From:			
Texas Workforce Commission			
Incentive Grants - WIA Section 503	17.267	2913WSW010	92,028
WIA Cluster			
Pass-Through From:			
Texas Workforce Commission			
WIA Dislocated Worker Formula Grants	17.278	2014ATP000	27,665
TOTAL U.S. DEPARTMENT OF LABOR			**856,083**
U.S. DEPARTMENT OF STATE			
Pass-Through From:			
CIED, Georgetown University			
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	ACCD-RX2050-981-13-A	157
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	ACCD-RX2050-981-14-A	30,411
Total CFDA 19.415			30,568
Academic Exchange Programs - English Language Programs	19.421	ACCD-RX2050-988-13-A	20,465
TOTAL U.S. DEPARTMENT OF STATE			**51,033**
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Pass-Through From:			
Humanities Texas			
Promotion of the Humanities_Federal/State Partnership	45.129	2014-4579	1,500
Promotion of the Humanities_Federal/State Partnership	45.129	2014-4644	761
Total CFDA 45.129			2,261
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			**2,261**

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
NATIONAL SCIENCE FOUNDATION			
Direct Program:			
Education and Human Resources	47.076		$ 721,275
Pass-Throughs From:			
Texas State University			
Education and Human Resources	47.076	13009-8-1925-2	6,163
The University of Texas at El Paso			
Education and Human Resources	47.076	26-1008-4124	(2,982)
Wright State University			
Education and Human Resources	47.076	DUE-0817332	6,224
Research and Development Cluster			
Pass-Through From:			
The University of Texas at San Antonio			
Education and Human Resources	47.076	26-1002-9061	3,859
Total CFDA 47.076			734,539
TOTAL NATIONAL SCIENCE FOUNDATION			**734,539**
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007		996,841
Federal Work-Study Program	84.033		271,725
Federal Pell Grant Program	84.063		83,188,893
Federal Direct Student Loans	84.268		28,181,544
Postsecondary Education Scholarships for Veteran's Dependents	84.408		2,082
Total Student Financial Assistance Cluster			112,641,085
TRIO Cluster			
TRIO_Student Support Services	84.042		262,742
TRIO_Upward Bound	84.047		1,103,257
Total TRIO Cluster			1,365,999
Other Direct Programs:			
Higher Education_Institutional Aid	84.031		6,144,835
Fund for the Improvement of Postsecondary Education	84.116		118,960
Minority Science and Engineering Improvement	84.120		166,755
Child Care Access Means Parents in School	84.335		275,696
Total Direct Programs			120,713,330
Pass-Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education -- Basic Grants to States	84.048	11534	973,242
Career and Technical Education -- Basic Grants to States	84.048	104201	141
Career and Technical Education -- Basic Grants to States	84.048	114201	(924)
Total CFDA 84.048			972,459
TOTAL U.S. DEPARTMENT OF EDUCATION			**121,685,789**

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2014

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		$ 1,019,355
Nursing Workforce Diversity	93.178		189,108
Total Direct Programs			1,208,463
Pass-Throughs From:			
The University of Texas at Austin			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	12-001072	9,310
University of Texas Health Science Center at San Antonio			
Teenage Pregnancy Prevention Program	93.297	154390/153277	4,999
Texas Workforce Commission			
Temporary Assistance for Needy Families	93.558	2014TAN006	731
Temporary Assistance for Needy Families	93.558	2014ATP000	34,441
Total CFDA 93.558			35,172
Texas State University			
Biomedical Research and Research Training	93.859	14001-82044-1	62,353
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			**1,320,297**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			
Pass-Through From:			
Public Allies			
AmeriCorps	94.006	12EDHWI0010010	127,119
AmeriCorps	94.006	OP021-94.006-13-PASA	24,386
Total CFDA 94.006			151,505
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			**151,505**
AGENCY FOR INTERNATIONAL DEVELOPMENT			
Pass-Throughs From:			
CIED, Georgetown University			
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-13-A-12	286,178
American Council on Education (ACE)/Higher Education for Development (HED)			
USAID Development Partnerships for University Cooperation and Development	98.012	HED001-9730-MEX-11-01	(500)
TOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT			**285,678**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 125,166,225**

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, 2014

1. FEDERAL ASSISTANCE RECONCILIATION

Other Operating Revenues - federal grants and contracts - per Schedule A	$ 12,765,892
Add: Non - Operating Revenues - federal revenue, non-operating - per Schedule C	84,282,146
Total Federal Revenues per Schedule A and C	97,048,038
Reconciling Item:	
Add: Federal Direct Student Loans	28,181,544
Less: Federal contracts (Note 3 below)	63,357
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	$125,166,225

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. The District also received a subcontract from Mayatech Corporation for the Minority Serving Institution Initiative funded by the U.S. Department of Health and Human Services.	$ 63,357

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

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

U.S. Department of Agriculture	
Passed through the Hispanic Serving Institutions Education Grants (CFDA 10.223) to:	
The University of Incarnate Word	$ -962
National Science Foundation	
Passed through the Education and Human Resources (CFDA 47.076)	
Pennsylvania State University	1,600
Southwest Research Institute	10,000
U.S. Department of Education	
Passed through Fund for Improvement of Postsecondary Education (CFDA 84.116) to:	
Pima County Community College District	30,166
Passed through the Higher Education_Institutional Aid (CFDA 84.031)to:	
Sul Ross State University	381,519
Total	$ 422,323

5. 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, 2014 totaled $28,181,544 and are presented as current year federal expenditures.

6. NONCASH AWARDS

There were no federal noncash awards in fiscal year 2014 other than Federal Direct Student Loans discussed in Note 5 above.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2014

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	$ 309,418
Adult Basic Education Innovation Grant	06990	71,372
Total Adult Basic Education Innovation Grant		380,790
Alternative Teacher Certification Program	4060	(425)
Developmental Education Demonstration Project		(180)
Evaluation of College Readiness Assignments Field Test	6081	(92)
Pathways	9953	3,107
Professional Nursing Shortage Reduction Program - Over 70 (FY 2010)		414
Professional Nursing Shortage Reduction Program - Over 70 (FY 2011)		52,035
Professional Nursing Shortage Reduction Program - Over 70 (FY 2012 - 2013)		440,796
Total Professional Nursing Shortage Reduction Program -Over 70		493,245
Summer Bridge and Transition Program Category C		27
Texas - Science, Technology, Engineering, and Math (T STEM)	9257	35,500
Texas - Science, Technology, Engineering, and Math (T STEM)	11234	832,854
Total Texas - Science, Technology, Engineering, and Math (T STEM)		868,354
Texas College Work Study		99,080
Texas Grant Initial		2,301,658
Texas Grant Renewal		780,635
Total Texas Initial and Renewal Program		3,082,293
Texas Equalization Opportunity Grant Initial		855,017
Texas Equalization Opportunity Grant Renewal		355,335
Total Texas Equalization Opportunity Initial and Renewal		1,210,352
Workstudy Student Mentorship Program	07076	7,773
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		**$ 6,144,324**
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Apprenticeship Training Program	2014ATP000	58,437
Skills Development Fund	1113SDF004	111,281
Skills Development Fund	2012SDF001	(20,108)
Skills Development Fund	2012SDF002	1,610,312
Skills Development Fund	2013SDF000	172,922
Skills Development Fund	2013SDF001	299,131
Skills Development Fund	2014SDF000	43,807
Skills Development Fund	2014SDF001	3,120
Total Skills Development Fund		2,220,465
Texas Fast Start Program	2014GRF000	17,850
TOTAL TEXAS WORKFORCE COMMISSION		**$ 2,296,752**
Total Expenditures of State Awards		**$ 8,441,076**

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, 2014

1. STATE ASSISTANCE RECONCILIATION

Other Operating Revenues - state grants and contracts - per Schedule A	$ 4,065,764
Add: Non - Operating Revenues - state revenue, non-operating - per Schedule C	4,391,725
Total State Revenues per Schedule A and C	8,457,489
Reconciling Item:	
Less: State contracts (Note 3 below)	16,413
Total State Expenditures per Schedule of Expenditures of State Awards	$ 8,441,076

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 subcontracts From Trinity Valley Community College for curriculum development for the Nursing Innovation Grant funded by the Texas Higher Education Coordinating Board.	$ 16,413

4. AMOUNTS PASSED THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT

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

Texas Work Force Commission	
Passed through the Skills Development Fund to:	
Midland College	55,496
Odessa College	28,558
Total Texas Work Force Commission	84,054
Texas Higher Education Coordinating Board	
Passed through the Adult Basic Education Innovation Grant:	
Coastal Bend College	4,232
Laredo Community College District	91,647
Southwest Texas Junior College	55,046
Victoria College	109,175
Total Texas Higher Education Coordinating Board	260,100
Total	$ 344,154

5. NONCASH AWARDS

There were no state noncash awards in fiscal year 2014.

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, 2014
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Tuition							
State funded courses							
In District resident tuition	$ -	$ 26,099,744	$ 11,807,100	$ 9,664,740	$ 20,527,259	$ 5,276,194	$ 73,375,037
Out of District resident tuition	-	5,846,127	5,456,040	3,571,922	3,443,763	3,041,359	21,359,211
Non-resident tuition	-	3,423,747	1,458,670	459,393	1,335,120	324,834	7,001,764
TPEG - credit set aside	-	1,847,469	919,852	698,334	1,216,549	139,252	4,821,456
State-funded continuing education	-	588,255	537,107	504,540	182,024	106,344	1,918,270
TPEG - non-credit set aside	-	57,602	58,447	45,653	19,236	58,272	239,210
Non-State funded continuing education	464,981	283,747	306,672	239,434	69,372	7,892	1,372,098
Total tuition	464,981	38,146,691	20,543,888	15,184,016	26,793,323	8,954,147	110,087,046
Fees							
General fee	-	-	-	-	-	-	-
Other	1,350,959	1,163,093	1,226,494	840,451	679,609	1,522,877	6,783,483
Total fees	1,350,959	1,163,093	1,226,494	840,451	679,609	1,522,877	6,783,483
Total tuition and fees	1,815,940	39,309,784	21,770,382	16,024,467	27,472,932	10,477,024	116,870,529
Allowances and discounts							
Institutional allowances and scholarships	(473,843)	(516,247)	(282,331)	(201,880)	(341,758)	(144,021)	(1,960,080)
Remissions and exemptions - state	-	(1,873,090)	(922,215)	(651,976)	(1,036,734)	(64,640)	(4,548,655)
Remissions and exemptions - local - dual credit	-	(3,343,122)	(3,984,372)	(2,397,396)	(3,272,062)	(650,714)	(13,647,666)
Federal grants to students	-	(13,952,000)	(5,919,568)	(4,834,428)	(7,840,392)	-	(32,546,388)
TPEG awards	-	(565,638)	(239,989)	(195,996)	(317,863)	-	(1,319,486)
State grants to students	-	(769,444)	(326,461)	(266,616)	(432,393)	-	(1,794,914)
Other local awards	(1,907,412)	(209,112)	(111,439)	(24,321)	-	-	(2,252,284)
Total allowances and discounts	(2,381,255)	(21,228,653)	(11,786,375)	(8,572,613)	(13,241,202)	(859,375)	(58,069,473)
Total net tuition and fees	(565,315)	18,081,131	9,984,007	7,451,854	14,231,730	9,617,649	58,801,056
Other operating revenues							
Federal grants and contracts	2,802,959	3,197,707	3,787,254	2,103,619	856,466	17,887	12,765,892
State grants and contracts	3,489,869	508,114	67,781	-	-	-	4,065,764
Local grants and contracts	1,045,350	407,110	(6,264)	-	-	-	1,446,196
Non-governmental grants and contracts	295,495	128,574	107,628	7,640	-	400	539,737
Other operating revenues	2,136,536	288,956	162,545	140,827	68,486	32,465	2,829,815
Total other operating revenues	9,770,209	4,530,461	4,118,944	2,252,086	924,952	50,752	21,647,404
Sales and services of auxiliary enterprises							
Bookstore commission	-	247,248	192,877	189,669	232,937	136,152	998,883
Palo Alto College natatorium	-	-	-	346,278	-	-	346,278
Day care centers	-	252,924	151,457	335,131	-	-	739,512
Vending machines/copiers	10,194	97,869	66,448	47,548	102,636	14,949	339,644
Parking permits and fines	49,978	1,011,931	348,773	278,601	713,724	168,112	2,571,119
Other	105	55,169	10,613	46,118	25,072	4,093	141,170
Total sales and services of auxiliary enterprises	60,277	1,665,141	770,168	1,243,345	1,074,369	323,306	5,136,606
Total operating revenues	$ 9,265,171	$ 24,276,733	$ 14,873,119	$ 10,947,285	$ 16,231,051	$ 9,991,707	$ 85,585,066

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Expenses by Location
For the Year Ended August 31, 2014
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	$ 3,699,632	$ 46,315,213	$ 26,426,224	$ 17,130,053	$ 22,516,281	$ 9,794,227	$ 125,881,630
Public service	1,637	1,519,108	116,988	-	-	-	1,637,733
Academic support	260,136	6,108,126	5,721,379	2,388,034	7,752,442	2,431,908	24,662,025
Student services	8,396,670	9,978,424	5,404,867	4,810,932	5,955,492	2,228,065	36,774,450
Institutional support	39,098,001	10,399,445	5,710,836	3,855,791	3,546,098	2,620,415	65,230,586
Operation and maintenance of plant	5,907,916	11,283,718	6,625,044	5,416,873	4,470,127	3,086,760	36,790,438
Scholarships and fellowships	1,140,442	22,995,202	9,589,202	9,833,319	15,341,376	5,000	58,904,541
Total educational activities	58,504,434	108,599,236	59,594,540	43,435,002	59,581,816	20,166,375	349,881,403
Auxiliary enterprises	-	151,934	112,234	1,399,822	3,999	4,186	1,672,175
Depreciation expense - building	1,589,317	6,602,296	6,660,595	4,829,569	4,493,813	3,345,266	27,520,856
Depreciation expense - equipment	1,451,661	730,464	1,669,520	325,452	287,573	165,249	4,629,919
Total operating expense	$ 61,545,412	$ 116,083,930	$ 68,036,889	$ 49,989,845	$ 64,367,201	$ 23,681,076	$ 383,704,353

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Non-Operating Revenues and Expenses by Location
For the Year Ended August 31, 2014
(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	16,299,171	5,287,983	$ 63,440,918
State group insurance	1,772,863	2,846,682	1,830,156	1,160,831	1,597,289	728,497	9,936,318
State retirement match	614,700	1,091,198	665,996	419,824	594,995	256,029	3,642,742
Ad valorem taxes							-
Taxes for maintenance and operations	18,865,365	32,251,604	22,323,620	17,041,161	10,950,406	9,058,364	110,490,520
Taxes for maintenance notes	11,336,172	1,298,123	1,105,611	855,652	1,122,695	581,614	16,299,867
Taxes for debt service	12,880,257	4,005,438	3,411,430	2,640,165	3,464,142	4,529,579	30,931,011
Federal revenue, non-operating	-	35,217,198	14,461,843	13,377,156	21,225,949	-	84,282,146
State revenue, non-operating	-	1,298,867	880,869	835,188	1,376,801	-	4,391,725
Gifts	49,029	1,055,865	452,276	71,835	27,337	1,730	1,658,072
Investment income	1,026,375	380	192	175	207	37	1,027,366
Total non-operating revenues	46,544,761	100,658,954	56,833,195	44,960,950	56,658,992	20,443,833	326,100,685
NON-OPERATING EXPENSES:							
Interest on capital related debt	(1,546,397)	(4,005,438)	(3,411,430)	(2,640,165)	(3,464,142)	(4,529,579)	(19,597,151)
Interest on maintenance tax notes	(501,172)	(1,298,123)	(1,105,611)	(855,652)	(1,122,695)	(581,614)	(5,464,867)
Loss on disposal of capital assets	(89,865)	(47,789)	(4,693)	(2,107)	-	-	(144,454)
Arbitrage rebate expense	-	-	-	-	-	-	-
Other non-operating expenses	(5,319,783)	-	-	-	-	-	(5,319,783)
Total non-operating expenses	(7,457,217)	(5,351,350)	(4,521,734)	(3,497,924)	(4,586,837)	(5,111,193)	(30,526,255)
Net non-operating revenues	$ 39,087,544	$ 95,307,604	$ 52,311,461	$ 41,463,026	$ 52,072,155	$ 15,332,640	$ 295,574,430

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Asset Types
For the Year Ended August 31, 2014
(Unaudited)

	Balance 9/1/2013	Additions	Deletions	Balance 8/31/2014
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	-	-	4,660,135
North Central Campus	12,793,381	-	-	12,793,381
District offices	13,701,683	-	-	13,701,683
Total land	52,393,775	-	-	52,393,775
Buildings:				
San Antonio College	198,416,448	13,138,398	-	211,554,846
St. Philip's College	184,547,826	3,156,640	-	187,704,466
Palo Alto College	132,132,976	1,173,690	-	133,306,666
Northwest Vista College	129,122,013	2,569,713	-	131,691,726
Northeast Lakeview College	117,213,837	59,856	-	117,273,693
North Central Campus	-	-	-	-
District offices	28,042,160	623,680	-	28,665,840
Total buildings	789,475,260	20,721,977	-	810,197,237
Facility and land improvements:				
San Antonio College	22,574,406	1,624,479	-	24,198,885
St. Philip's College	21,390,861	22,154	-	21,413,015
Palo Alto College	16,836,356	3,400,021	-	20,236,377
Northwest Vista College	29,535,707	2,053,285	-	31,588,992
Northeast Lakeview College	14,864,331	1,666,568	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	6,526,335	-	-	6,526,335
Total facility and land improvements	111,923,716	8,766,507	-	120,690,223
Equipment:				
San Antonio College	6,965,090	772,280	269,248	7,468,122
St. Philip's College	11,752,041	525,015	182,258	12,094,798
Palo Alto College	2,040,083	326,985	67,888	2,299,180
Northwest Vista College	1,752,175	122,512	105,684	1,769,003
Northeast Lakeview College	759,993	101,994	-	861,987
North Central Campus	-	-	-	-
District offices	12,101,384	725,115	600,009	12,226,490
Total equipment	35,370,766	2,573,901	1,225,087	36,719,580
Software:				
San Antonio College	61,327	-	-	61,327
St. Philip's College	8,319	15,000	-	23,319
Palo Alto College	9,408	-	-	9,408
District wide	2,995,275	-	-	2,995,275
Total software	3,074,329	15,000	-	3,089,329
Library books:				
San Antonio College	6,244,607	25,568	-	6,270,175
St. Philip's College	4,743,954	2,943	-	4,746,897
Palo Alto College	3,898,327	1,688	-	3,900,015
Northwest Vista College	849,081	30,350	-	879,431
Northeast Lakeview College	492,234	62,793	-	555,027
Total library books	16,228,203	123,342	-	16,351,545
Works of art:				
San Antonio College	88,000	-	-	88,000
St. Philip's College	69,250	50,000	-	119,250
Palo Alto College	18,971	-	-	18,971
Total works of art	176,221	50,000	-	226,221
Construction in Progress:				
San Antonio College	13,669,497	7,352,682	7,628,047	13,394,132
St. Philip's College	3,356,708	4,561,212	3,019,468	4,898,452
Palo Alto College	324,119	41,735	324,119	41,735
Northwest Vista College	341,923	-	341,923	-
Northeast Lakeview College	49,500	-	49,500	-
North Central Campus	-	-	-	-
District offices	-	101,236	-	101,236
Total construction in progress	17,741,747	12,056,865	11,363,057	18,435,555
Grand total	$ 1,026,384,017	$ 44,307,592	$ 12,588,144	$ 1,058,103,465

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Location
For the Year Ended August 31, 2014
(Unaudited)

	Balance 9/1/2013	Additions	Deletions	Balance 8/31/2014
San Antonio College:				
Land	$ 11,578,670	$ -	$ -	$ 11,578,670
Buildings	198,416,448	13,138,398	-	211,554,846
Facility and land improvements	22,574,406	1,624,479	-	24,198,885
Equipment	6,965,090	772,280	269,248	7,468,122
Software	61,327	-	-	61,327
Library books	6,244,607	25,568	-	6,270,175
Works of art	88,000	-	-	88,000
Construction in progress	13,669,497	7,352,682	7,628,047	13,394,132
Total San Antonio College	259,598,045	22,913,407	7,897,295	274,614,157
St. Philip's College:				
Land	6,183,345	-	-	6,183,345
Buildings	184,547,826	3,156,640	-	187,704,466
Facility and land improvements	21,390,861	22,154	-	21,413,015
Equipment	11,752,041	525,015	182,258	12,094,798
Software	8,319	15,000	-	23,319
Library books	4,743,954	2,943	-	4,746,897
Works of art	69,250	50,000	-	119,250
Construction in progress	3,356,708	4,561,212	3,019,468	4,898,452
Total St. Philip's College	232,052,304	8,332,964	3,201,726	237,183,542
Palo Alto College:				
Land	1,759,561	-	-	1,759,561
Buildings	132,132,976	1,173,690	-	133,306,666
Facility and land improvements	16,836,356	3,400,021	-	20,236,377
Equipment	2,040,083	326,985	67,888	2,299,180
Software	9,408	-	-	9,408
Library books	3,898,327	1,688	-	3,900,015
Works of art	18,971	-	-	18,971
Construction in progress	324,119	41,735	324,119	41,735
Total Palo Alto College	157,019,801	4,944,119	392,007	161,571,913
Northwest Vista College:				
Land	1,717,000	-	-	1,717,000
Buildings	129,122,013	2,569,713	-	131,691,726
Facility and land improvements	29,535,707	2,053,285	-	31,588,992
Equipment	1,752,175	122,512	105,684	1,769,003
Library books	849,081	30,350	-	879,431
Construction in progress	341,923	-	341,923	-
Total Northwest Vista College	163,317,899	4,775,860	447,607	167,646,152
Northeast Lakeview College:				
Land	4,660,135	-	-	4,660,135
Buildings	117,213,837	59,856	-	117,273,693
Facility and land improvements	14,864,331	1,666,568	-	16,530,899
Equipment	759,993	101,994	-	861,987
Library books	492,234	62,793	-	555,027
Construction in progress	49,500	-	49,500	-
Total Northeast Campus	138,040,030	1,891,211	49,500	139,881,741
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	28,042,160	623,680	-	28,665,840
Facility and land improvements	6,526,335	-	-	6,526,335
Equipment	12,101,384	725,115	600,009	12,226,490
Software	2,995,275	-	-	2,995,275
Construction in progress	-	101,236	-	101,236
Total District offices	63,366,837	1,450,031	600,009	64,216,859
Grand total	$ 1,026,384,017	$ 44,307,592	$ 12,588,144	$ 1,058,103,465

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,									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Net investment in capital assets	$ 180,647	$ 170,255	$ 163,742	$ 179,050	$ 182,572	$ 181,568	$ 172,395	$ 155,641	$ 124,927	$ 119,012
Restricted - nonexpendable	-	-	-	-	-	-	1,299	1,298	1,298	1,277
Restricted - expendable	18,633	16,410	12,963	11,339	11,212	10,256	13,185	7,050	8,466	6,970
Unrestricted	86,223	101,383	101,913	83,693	83,547	82,033	91,556	82,283	66,114	58,647
Total	285,503	288,048	278,618	274,082	277,331	273,857	278,435	246,272	200,805	185,906
Net position beginning of the year	288,048	278,618	274,082	277,331	273,857	278,435	246,272	200,805	185,906	188,456
Increase (decrease) in net position	$ (2,545)	$ 9,430	$ 4,536	$ (3,249)	$ 3,474	$ (4,578)	$ 32,163	$ 45,467	$ 14,899	$ (2,550)

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,																			
	2014		2013		2012		2011		2010		2009		2008		2007		2006		2005	
Tuition and fees (net of discounts)	$ 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%	$ 45,235	16.4%
Governmental grants and contracts																				
Federal grants and contracts	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%	13,603	4.9%
State grants and contracts	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%	5,085	1.8%
Local grants and contracts	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%	613	0.2%
Non-governmental grants and contracts	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%	629	0.2%
Investment income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4	0.0%	19	0.0%	158	0.0%	184	0.1%	159	0.1%	119	0.0%
Auxiliary enterprises	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%	3,750	1.4%
Other operating revenue	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%	1,683	0.6%
Total operating revenues	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%	70,717	25.5%
State appropriation	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%	72,740	26.4%
Ad valorem taxes	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%	67,508	24.7%
Federal revenue, non-operating	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%	58,290	21.1%
State revenue, non-operating	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%	2,249	0.8%
Gifts	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%	651	0.2%
Investment income	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%	3,558	1.3%
Other non-operating revenues	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	48	0.0%	4	0.0%	50	0.0%
Total non-operating revenues	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%	205,046	74.5%
Total revenues	$ 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%	$ 275,763	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,																			
	2014		2013		2012		2011		2010		2009		2008		2007		2006		2005	
Instruction	$ 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%	$ 110,408	41.9%
Public service	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%	2,178	0.8%
Academic support	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%	22,105	8.4%
Student services	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%	24,108	9.1%
Institutional support	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%	33,692	12.8%
Operation and maintenance of plant	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%	17,910	6.8%
Scholarships and fellowships	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%	36,688	13.9%
Auxiliary enterprises	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%	1,978	0.8%
Depreciation	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%	8,827	3.3%
Total operating expenses	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%	257,894	97.8%
Interest on capital related debt	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%	4,686	1.8%
Other non-operating expenses	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%	-	0.0%
Loss on disposal of fixed assets	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%	1,143	0.4%
Total non-operating expenses	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%	5,829	2.2%
Total expenses	$ 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%	$ 263,723	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 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	4.83%	3.04%
Fall 2009	-	53.50	103.50	12.00	127.00	-	-	-	781.00	1,381.00	4.83%	8.48%
Fall 2008	-	51.00	95.00	12.00	121.00	-	-	-	745.00	1,273.00	4.20%	2.41%
Fall 2007	13.00	44.00	88.00	12.00	121.00	13.00	24.00	4.00	715.00	1,243.00	4.69%	4.72%
Fall 2006	12.00	42.00	84.00	12.00	115.00	12.00	24.00	4.00	683.00	1,187.00	6.72%	5.98%
Fall 2005	11.00	40.00	80.00	-	110.00	11.00	24.00	4.00	640.00	1,120.00	5.09%	5.16%
Fall 2004	10.00	38.00	76.00	-	105.00	10.00	24.00	4.00	609.00	1,065.00	10.13%	9.46%

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 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%
Fall 2004	10.00	152.00	-	105.00	10.00	24.00	61.00	2,034.00	8.77%

* 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
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
2004-05	65,421,529,792	3,100,303,029	62,321,226,763	95.26%	0.09230	0.01475	0.10705

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

TAV Is Assessed Value less Exemptions and Tax Increment Financings.

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
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
2004-05	58,069,378	33,951	1,710	15,035,056	4,941,776	19,976,832	2.91

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	2013	2012	2011	2010	2009	2008	2007	2006*	2005	2004*
HEB Grocery Company LP	$ 1,090,006	$ 1,025,290	$ 968,937	$ 957,372	$ 915,618	$ 860,947	$ 835,417	$ 734,917	$ 684,385	$ 649,249
Toyota Motor Mfg Texas Inc.	554,647	523,666	542,971	447,437	541,478	-	636,047	182,767	-	-
Methodist Healthcare Systems SA	540,523	532,699	518,606	455,263	451,594	470,840	239,580	220,975	209,712	194,114
VHS San Antonio Prtners LP (Baptist Hospitals)	469,526	359,878	404,509	375,935	375,477	390,814	295,830	251,811	184,637	173,023
Wal-Mart Stores, Inc.	512,390	400,886	396,639	384,171	-	371,620	355,246	340,767	327,050	301,334
AT&T (Southwestern Bell)	351,030	391,280	412,841	423,199	408,853	496,917	546,653	568,534	524,283	515,151
Microsoft Corporation	322,193	340,011	343,633	334,968	-	-	-	-	-	-
USAA	309,922	323,095	339,064	336,394	343,721	346,117	338,676	334,521	307,044	319,746
La Cantera Retail LTD Partnership	228,526	221,968	212,394	238,190	263,640	-	-	-	-	-
SA Real Estate LLLP	220,992	224,013	264,078	266,758	-	-	-	-	-	-
Frost National Bank	-	-	-	-	209,948	186,581	-	174,828	165,252	154,656
Marriott Hotel Properties	-	-	-	-	171,581	188,615	-	-	-	125,113
Frankel Family Trust	-	-	-	-	199,812	194,134	-	-	-	-
VLSI Technologies, Inc. (Philips)	-	-	-	-	-	-	-	-	-	-
Time Warner Cable San Antonio LP (Paragon)	-	-	-	-	-	-	185,569	178,019	177,002	162,962
Alamo Stonecrest Holdings	-	-	-	-	-	-	-	-	144,910	-
Inland Western San Antonio Academy LP	-	-	-	-	-	-	-	-	143,372	-
Melvin Simon Properties	-	-	-	-	-	-	-	-	-	140,294
North Star Mall, Inc.	-	-	-	-	-	-	-	-	-	-
New River Center Mall LP	-	-	-	-	-	-	209,062	178,977	-	-
MBS-Colonnade Ltd	-	-	-	-	-	215,664	223,505	-	-	-
	$ 4,599,755	$ 4,342,786	$ 4,403,672	$ 4,219,687	$ 3,881,722	$ 3,722,249	$ 3,865,585	$ 3,166,116	$ 2,867,647	$ 2,735,642
Total Taxable Assessed Value	$ 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	$ 62,321,227

% of Taxable Assessed Value (TAV)

Tax Payer	2013	2012	2011	2010	2009	2008	2007	2006*	2005	2004*
HEB Grocery Company LP	1.02%	1.01%	0.98%	0.96%	0.92%	0.86%	0.84%	0.74%	0.69%	0.65%
Toyota Motor Mfg Texas Inc.	0.52%	0.52%	0.55%	0.45%	0.54%	0.00%	0.64%	0.18%	0.00%	0.00%
Methodist Healthcare Systems SA	0.51%	0.36%	0.41%	0.38%	0.38%	0.39%	0.30%	0.25%	0.19%	0.17%
VHS San Antonio Prtners LP (Baptist Hospitals)	0.44%	0.53%	0.52%	0.46%	0.45%	0.47%	0.24%	0.22%	0.21%	0.19%
Wal-Mart Stores, Inc.	0.48%	0.39%	0.42%	0.42%	0.41%	0.50%	0.55%	0.57%	0.53%	0.52%
AT&T (Southwestern Bell)	0.33%	0.32%	0.34%	0.34%	0.34%	0.35%	0.34%	0.34%	0.31%	0.32%
Microsoft Corporation	0.30%	0.00%	0.00%	0.00%	0.21%	0.19%	0.00%	0.18%	0.17%	0.16%
USAA	0.29%	0.00%	0.00%	0.00%	0.17%	0.19%	0.00%	0.00%	0.00%	0.13%
La Cantera Retail LTD Partnership	0.21%	0.34%	0.35%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	0.21%	0.22%	0.27%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Frost National Bank	0.00%	0.22%	0.21%	0.24%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.20%	0.19%	0.00%	0.00%	0.00%	0.00%
Frankel Family Trust	0.00%	0.40%	0.40%	0.39%	0.00%	0.37%	0.36%	0.34%	0.33%	0.30%
VLSI Technologies, Inc. (Philips)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Time Warner Cable San Antonio LP (Paragon)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.18%	0.18%	0.16%
Alamo Stonecrest Holdings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.00%
Inland Western San Antonio Academy LP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.00%
Melvin Simon Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%
North Star Mall, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New River Center Mall LP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.18%	0.00%	0.00%
MBS-Colonnade Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.22%	0.00%	0.00%	0.00%
	4.30%	4.28%	4.41%	4.25%	3.86%	3.73%	4.29%	4.11%	4.26%	4.39%

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
2014	$ 157,087,439	$ (996,821)	$ 156,090,618	$ 154,114,745	98.73%	$ -	$ -	$ 154,114,745	98.73%
2013	148,541,205	(1,179,559)	147,361,646	145,758,928	98.91%	-	665,510	146,424,438	99.36%
2012	138,594,895	(960,035)	137,634,860	135,764,825	98.64%	836,774	351,688	136,953,287	99.50%
2011	137,908,286	(1,336,972)	136,571,314	134,739,175	98.66%	1,067,799	239,968	136,046,942	99.62%
2010	134,340,094	(1,814,060)	132,526,034	130,767,468	98.67%	1,135,515	200,425	132,103,408	99.68%
2009	132,171,475	(1,563,671)	130,607,805	128,946,515	98.73%	1,252,931	36,143	130,235,589	99.72%
2008	117,688,619	(459,732)	117,228,887	115,629,413	98.64%	1,324,178	17,029	116,970,620	99.78%
2007	102,947,673	(414,727)	102,532,946	101,029,924	98.53%	1,282,166	8,214	102,320,304	99.79%
2006	72,091,494	(278,024)	71,813,470	70,608,797	98.32%	1,043,690	5,826	71,658,313	99.78%
2005	66,714,921	(383,555)	66,331,366	65,139,162	98.20%	1,041,231	4,620	66,185,013	99.78%

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Year Ended August 31 (in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Bonded Debt										
General obligation bonds	$ 384,644	$ 394,187	$ 392,045	$ 404,120	$ 411,719	$ 419,299	$ 430,393	$ 435,819	$ 75,154	$ 19,604
Tax notes	125,261	138,976	143,825	151,955	108,025	106,155	116,010	39,410	40,320	5,695
Less: Funds restricted for debt service	5,808	5,788	5,467	5,315	4,633	3,016	3,420	2,297	1,626	2,532
Net general bonded debt	$ 504,097	$ 527,375	$ 530,403	$ 550,760	$ 515,111	$ 522,438	$ 542,983	$ 472,932	$ 113,848	$ 22,767
Other Debt										
Revenue bonds	$ 74,829	$ 80,163	$ 78,095	$ 65,935	$ 69,495	$ 72,900	$ 76,180	$ 74,270	$ 67,645	$ 67,625
Notes payable	17,162	12,727	-	-	-	207	690	1,145	1,605	2,036
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	$ 596,088	$ 620,265	$ 608,498	$ 616,695	$ 584,606	$ 595,545	$ 619,853	$ 548,347	$ 183,098	$ 92,428
General Bonded Debt Ratios										
Per capita	$ 277.34	$ 295.33	$ 302.03	$ 324.61	$ 300.40	$ 316.35	$ 334.91	$ 297.65	$ 73.41	$ 15.06
Per FTSE	13,991	14,312	13,555	14,064	12,540	14,161	15,813	14,148	3,515	686
As a percentage of taxable assessed value	0.47%	0.52%	0.53%	0.55%	0.51%	0.53%	0.60%	0.61%	0.17%	0.04%
Total Outstanding Debt Ratios										
Per capita	$ 327.95	$ 347.35	$ 346.49	$ 363.47	$ 340.92	$ 360.62	$ 382.32	$ 345.11	$ 118.06	$ 61.15
Per FTSE	$ 16,544	$ 16,833	$ 15,550	$ 15,747	$ 14,232	$ 16,143	$ 18,052	$ 16,404	$ 5,653	$ 2,783
As a percentage of taxable assessed value	0.56%	0.61%	0.61%	0.62%	0.58%	0.60%	0.69%	0.71%	0.27%	0.15%

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
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%
2005	62,321,227	98,281	2,532	95,749	6,220	89,529	3.75%

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 2013 Supplement 133).

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
2014	$ 21,435 (1)	$ -	$ 514	$ 4,672	$ 26,621	$ 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
2005	11,532 (1)	12,973	2,023	2,806	29,334	2,105	3,150	5,255	5.58

(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
2013	1,817,610	$ 73,366,879 **	$ 40,702 **	6.0%
2012	1,785,704	65,438,914	36,901	6.6%
2011	1,756,153	63,532,926	36,177	7.6%
2010	1,723,561	59,911,913	34,761	7.4%
2009	1,685,628	56,378,379	33,447	6.7%
2008	1,651,709	57,947,289	35,083	4.8%
2007	1,588,905	55,567,978	34,972	4.2%
2006	1,550,921	51,728,440	33,353	4.7%
2005	1,511,506	47,759,064	31,597	5.1%
2004	1,487,463	44,208,973	29,721	5.8%

Source: Texas Workforce Commission, LMI Tracer, Data Link as of 7/8/14, US Census Bureau State and County Facts
** Data are estimates; updated data from Texas Workforce Commission have not been published.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 13
Principal Employers
(Unaudited)

Largest Employers	2014 (1)		2013 (2)		2012 (3)		2011 (4)		2010 (5)		2009 (6)		2008 (7)		2007 (8)		2006 (9)	
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
Lackland AFB	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	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	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	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	1.3%	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	1.1%	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	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	0.9%	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	0.8%	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	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	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 9/12/2014 http://www.sanantonioedf.com/business-profile/major-employers

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

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

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

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

(6) 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)

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

(8) Source: City of San Antonio Planning Office

(9) Source: San Antonio Economic Development Foundation

Note:

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2014**	2013 **	2012 **	2011 **	2010 **	2009 +	2008 +	2007 +	2006 +	2005 +
Faculty										
Full-time	916	750	1,004	1,039	1,027	1,049	1,024	1,052	992	992
Part-time	1,633	1,848	1,482	1,710	1,599	2,957	2,865	3,011	3,052	3,345
Total	2,549	2,598	2,486	2,749	2,626	4,006	3,889	4,063	4,044	4,337
Percent										
Full-time	35.94%	28.87%	40.39%	37.80%	39.11%	26.19%	26.33%	25.89%	24.53%	22.87%
Part-time	64.06%	71.13%	59.61%	62.20%	60.89%	73.81%	73.67%	74.11%	75.47%	77.13%
Staff and Administrators										
Full-time	1,649	1,479	1,532	1,710	1,721	1,823	1,763	1,814	1,720	1,620
Part-time	1,077	660	921	978	1,165	888	887	930	926	1,050
Total	2,726	2,139	2,453	2,688	2,886	2,711	2,650	2,744	2,646	2,670
Percent										
Full-time	60.49%	69.14%	62.45%	63.62%	59.63%	67.24%	66.53%	66.11%	65.00%	60.67%
Part-time	39.51%	30.86%	37.55%	36.38%	40.37%	32.76%	33.47%	33.89%	35.00%	39.33%
FTSE *	36,031	36,849	39,131	39,162	41,077	36,254	34,173	33,531	33,249	33,951
FTSE per full-time faculty	39.3	49.1	39.0	37.7	40.0	34.6	33.4	31.9	33.5	34.2
FTSE per full-time staff member	21.9	24.9	25.5	22.9	23.9	19.9	19.4	18.5	19.3	21.0
Average annual full-time faculty salary	$ 54,778	$ 66,680	$ 54,178	$ 57,537	$ 60,929	$ 54,121	$ 52,939	$ 51,240	$ 50,142	$ 49,752

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 Eight Fiscal Years
(Unaudited)

	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	%
00 - 30	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	14,815	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	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*	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	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 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	%
Less Than 3	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	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	14,707	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	9,675	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	12,994	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	1,972	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	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	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	8.3 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 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	%
Texas resident- In District	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	6,591	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	1,146	2%	1,284	2%	1,312	2%	1,284	2%	1,096	2%	1,137	2%	1,013	2%	811	2%
Tuition exemption	1,541	3%	1,198	2%	-	0%	3	0%	79	0%	165	0%	142	0%	96	0%
Foreign	816	2%	833	2%	776	1%	734	1%	737	1%	593	1%	589	1%	522	1%
Total	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 Eight Fiscal Years
(Unaudited)

	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	%
Female	29,210	56%	30,003	57%	32,844	57%	33,670	57%	33,607	57%	30,386	58%	29,341	59%	29,350	59%
Male	21,891	42%	22,351	43%	24,442	43%	25,127	43%	25,031	43%	21,920	42%	20,688	41%	20,138	41%
Total	51,101	98%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	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	%
Multi-Racial	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	14,157	27%	15,166	29%	18,423	32%	20,349	35%	23,327	40%	20,202	39%	19,753	39%	19,725	40%
Hispanic	30,030	57%	30,679	59%	31,712	55%	30,371	52%	28,943	49%	26,357	50%	24,956	50%	24,585	50%
African-American	3,875	7%	3,263	6%	3,757	7%	3,860	7%	4,147	7%	3,717	7%	3,453	7%	3,352	7%
Asian	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	236	0%	190	0%	324	1%	47	0%	357	1%	408	1%	342	1%	389	1%
Native American	127	0%	132	0%	182	0%	177	0%	243	0%	208	0%	211	0%	189	0%
Native Hawaiian/Other Pacific Islander	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	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	51,101	98%	52,354	100%	57,286	100%	58,797	94%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	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	%
Under 18	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	20,236	39%	20,212	39%	21,472	37%	22,219	38%	22,330	38%	20,514	39%	19,539	39%	19,348	39%
22-24	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	9,960	19%	10,630	20%	12,165	21%	13,044	22%	12,931	22%	11,300	22%	11,068	22%	11,482	23%
36-50	4,361	8%	4,770	9%	5,433	9%	5,618	10%	5,668	10%	4,934	9%	4,901	10%	5,131	10%
51 and over	1,008	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%	2	0%
Total	51,101	98%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%
Average age	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
2012 Fall Students
(Unaudited)

	Institutions Attended, Fall 2012	Academic	Technical	Tech-Prep	Total	% Students
1	The University of Texas at San Antonio	4,320	265	79	4,664	39.2%
2	Texas A&M University - San Antonio	2,006	128	84	2,218	18.6%
3	Texas State University	1,219	56	18	1,293	10.9%
4	Texas A&M University	984	47	16	1,047	8.8%
5	The University of Texas at Austin	794	27	14	835	7.0%
6	Texas Tech University	407	19	5	431	3.6%
7	Texas A&M University - Corpus Christi	209	8	7	224	1.9%
8	University of North Texas	135	4	4	143	1.2%
9	The University of Texas at Arlington	98	20	3	121	1.0%
10	University of Houston	97	4	2	103	0.9%
11	Texas A&M University - Kingsville	101	-	1	102	0.9%
12	Angelo State University	82	3	4	89	0.7%
13	Sam Houston State University	69	1	-	70	0.6%
14	Stephen F. Austin State University	61	2	-	63	0.5%
15	Texas A&M University at Galveston	44	1	17	62	0.5%
16	The University of Texas at El Paso	41	6	1	48	0.4%
17	The University of Texas at Dallas	35	7	-	42	0.4%
18	Tarleton State University	38	1	1	40	0.3%
19	Texas Woman's University	32	-	-	32	0.3%
20	University of Houston at Victoria	22	6	3	31	0.3%
21	West Texas A&M University	27	3	-	30	0.3%
22	Prairie View A&M University	28	1	-	29	0.2%
23	The University of Texas - Pan American	24	1	2	27	0.2%
24	Sul Ross State University	24	1	-	25	0.2%
25	Midwestern State University	8	7	3	18	0.2%
26	Texas A&M International University	17	1	-	18	0.2%
27	The University of Texas of the Permian Basin	16	1	-	17	0.1%
28	Texas A&M University - Commerce	13	3	-	16	0.1%
29	The University of Texas at Tyler	9	5	-	14	0.1%
30	Lamar University	7	2	1	10	0.1%
31	Texas Southern University	10	-	-	10	0.1%
32	The University of Texas at Brownsville	9	1	-	10	0.1%
33	Texas A&M University - Central Texas	5	1	1	7	0.1%
34	University of Houston - Downtown	5	1	-	6	0.1%
35	Sul Ross State University - Rio Grande College	3	1	-	4	0.0%
36	University of Houston at Clear Lake	4	-	-	4	0.0%
37	Texas A&M University - Texarkana	1	-	-	1	0.0%
	Total	**11,004**	**634**	**266**	**11,904**	**100.0%**

Source: THECB Report ASALFS Students Pursuing Additional Education, includes only public senior colleges in Texas - Fall 2012

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 18
Capital Asset Information
Last Ten Fiscal Years
(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Academic buildings	107	119	111	125	121	120	91	88	70	69
Square footage (in thousands)	2376	2,482	2,529	2,619	2,659	2,769	2,571	2,132	2,132	2,100
Libraries	6	6	6	6	8	6	7	6	6	5
Square footage (in thousands)	282	282	282	309	330	370	312	193	193	188
Number of volumes (in thousands)	455	556	498	677	610	666	675	675	482	504
Administrative and support buildings	92	93	95	66	59	60	44	15	15	15
Square footage (in thousands)	1077	1,065	999	868	824	684	591	147	147	147
Parking garages	3	2	2	1	1	1	1	-	-	-
Square footage (in thousands)	974	645	645	394	394	394	394	-	-	-
Dining facilities	6	6	6	6	6	6	5	5	5	5
Square footage (in thousands)	76	76	76	74	73	85	64	48	48	48
Average daily customers	3,436	3,436	3,405	3,210	3,114	2,193	2,193	2,259	2,395	2,722
Athletic facilities	9	8	8	8	8	7	4	4	4	4
Square footage (in thousands)	275	275	275	270	265	247	189	192	192	192
Stadiums	-	-	-	-	-	-	-	-	-	-
Gymnasium buildings	5	5	5	5	5	5	4	4	4	4
Fitness centers	8	8	8	7	6	5	4	4	4	4
Tennis courts	18	18	18	18	18	18	14	8	8	8
Swimming pools	3	3	3	3	3	3	3	4	4	4
Soccer fields	1	1	1	1	1	-	-	-	-	-
Fitness trails	2	2	2	2	2	-	-	-	-	-
Putting green	1	1	1	1	1	-	-	-	-	-
Rock climbing wall	1	1	1	1	1	-	-	-	-	-
Ropes course	1	1	1	-	-	-	-	-	-	-
Plant facilities	29	33	33	25	21	20	10	4	4	4
Square footage (in thousands)	107	107	110	108	104	101	88	38	38	38
Transportation										
Cars	31	31	26	29	30	35	32	34	42	35
Trucks/vans	88	88	87	82	90	76	64	68	85	59
Buses	2	2	2	2	2	2	2	2	2	2
Electric cars	7	7	7	7	5	-	-	-	-	-
ADA parking spots	529	511	503	489	479	464	401	317	317	301
Electric Vehicle Charging Stations	16									
Non ADA parking spots	15,696	15,107	15,264	14,716	14,309	14,015	13,697	8,944	8,944	8,694

Source: Alamo Colleges Facilities Department

Single Audit Section

ALAMO
COLLEGES

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

Management and Board of Trustees
Alamo Community College District

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College (collectively the District), as of and for the year ended August 31, 2014, 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 22, 2014. Our report includes a reference to other auditors who audited the financial statements of Alamo Colleges Foundation, Inc. as described in our report on the District's financial statements. 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 determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ernst & Young LLP

December 22, 2014

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

Management and the Board of Trustees
Alamo Community College District

Report on Compliance for Each Major Federal Program

We have audited Alamo Community College District's, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively, the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.

Other Matters

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

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-001	Various	Student Financial Assistance Cluster	Special Tests and Provisions
2014-002	84.031	Higher Education Institutional Aid	Davis-Bacon Act

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

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

Report on Internal Control Over Compliance

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

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

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

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

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-001	Various	Student Financial Assistance Cluster	Special Tests and Provisions
2014-002	84.031	Higher Education Institutional Aid	Davis-Bacon Act

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

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

Ernst & Young LLP

December 22, 2014

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, 2014

Part I – Summary of Auditor's Results

Financial Statements Section

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

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

Federal Awards Section

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? X Yes ____ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268, 84.408	Student Financial Assistance Cluster
84.031	Higher Education Institutional Aid
84.042, 84.047	TRIO Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $375,754

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

Part II – Financial Statement Findings Section

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

No findings were noted.

Part III – Federal Award Findings and Questioned Costs Section

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

Finding 2014-001

Federal program information:	Federal awarding agencies: United States Department of Education Federal Program: Federal Supplemental Educational Opportunity Grant (FSEOG), CFDA No.: 84.007 Federal Work-Study Program, CFDA No.: 84.033 Federal Pell Grant Program, CFDA No.: 84.063 Federal Direct Student Loans, CFDA No.: 84.268 Postsecondary Education Scholarships for Veteran's Dependents, CFDA No.: 84.408 Award year: 2013-2014, 2014-2015
Criteria or specific requirement (including statutory, regulatory or other citation):	Special Tests and Provisions – Federal Direct Student Loan Notifications: Under the Federal Direct Student Loans program, the institution must notify the student or parent, in writing, of (1) the date and amount of the disbursement, (2) the student's right or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan. (34 CFR 668.165). Institutions that implement an affirmative confirmation process (as described in 34 CFR Section 668.165 (a)(6)(i)) must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with Direct Loan, FPL, FFEL funds, or TEACH Grants. Institutions that do not implement an affirmative confirmation process must notify a student no earlier than 30 days before, but no later than seven days after, crediting the student's account and must give the student 30 days (instead of 14) to cancel all or part of the loan.
Condition:	For 8 of 28 selected students (3 from San Antonio College, 2 from St. Philip's College, 2 from Northwest Vista College, and 1 from Palo Alto College), Alamo Colleges did not send notifications of the direct loan disbursements to students within 30 days of crediting the students' accounts with the loan proceeds in order to notify the students that they had 30 days to cancel all or part of the loan.
Questioned costs:	$-0-
Context:	We selected 28 students that received federal direct loan disbursements during the year ended August 31, 2014. Alamo Colleges did not send notifications to 8 of the 28 students within 30 days of the disbursement of federal direct loan awards.
Effect:	Alamo Colleges is not consistently in compliance with federal guidelines regarding student notifications required for direct loan disbursements.
Cause:	Alamo Colleges automated notification process did not send notifications of direct loan disbursements to students after a system software upgrade.
Recommendation:	Alamo Colleges should establish procedures and internal controls surrounding the timely notification of loan disbursements to students receiving direct loans.
Views of responsible officials and planned corrective actions:	During fall 2013, an automated system was in place notifying students of disbursement details and identifying students who did not receive a disbursement notification. During the spring of 2014, monitoring procedures detected some notifications were missed and it was determined that the automated notification system was not put back into operation correctly after the upgrade of Alamo College's scheduling software. More timely and stringent mandatory monitoring procedures and reports were implemented to strengthen controls over the notification process. Also, a review of the functionality of the automated notification system after every system upgrade is now standard operating procedure. Implementation date: 2014 Responsible person: Vice Chancellor for Finance and Administration

Finding 2014-002

Federal program information:	Federal awarding agencies: United States Department of Education Federal Program: Higher Education Institutional Aid, CFDA No.: 84.031 Award years: 2013-2014, 2014-2015
Criteria or specific requirement (including statutory, regulatory or other citation):	Davis-Bacon Act: When required by the Davis-Bacon Act, the Department of Labor's (DOL) government-wide implementation of the Davis-Bacon Act, ARRA, or by Federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of $2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (40 USC 3141-3144, 3146, and 3147 (formerly 40 USC 276a to 276a-7)). Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6). This reporting is often done using Optional Form WH-347, which includes the required statement of compliance (OMB No. 1215-0149).
Condition:	Alamo Colleges did not obtain weekly certified payrolls from two contractors during the year for HVAC work at St. Philip's College and for building renovations at San Antonio College funded by the Higher Education Institutional Aid program. Additionally, written contracts were not entered into between Alamo Colleges and three contractors, two at St. Philip's College and one at San Antonio College, since the purchases were through the State of Texas as TX Multiple Award System (TXMAS) contracts. As a result, the prevailing wage rate clauses required by Davis-Bacon were not included in contracts.
Questioned costs:	$-0-
Context:	We selected six construction expenditures to test for compliance with the Davis-Bacon Act. The six selected construction expenditures related to four contractors. Alamo Colleges did not obtain weekly certified payrolls from two of the four contractors during the year for HVAC work at St. Philip's College and building renovations at San Antonio College. For three contractors, two at St. Philip's College and one at San Antonio College, Alamo Colleges procured services through TXMAS and did not enter into separate written contracts with the contractors. The standard TXMAS agreement was used for these contracts and did not include the prevailing wage rate clauses required under Davis-Bacon.
Effect:	Alamo Colleges did not comply with Davis-Bacon requirements with respect to obtaining weekly certified payrolls for two contractors and with respect to including the required Davis-Bacon Act provisions in three contracts.
Cause:	As this was also a finding in 2013, Alamo Colleges is working towards implementing Davis-Bacon controls and procedures, including the implementation of new software to assist in the compliance with Davis-Bacon requirements. Alamo Colleges was unable to fully implement controls and procedures and the new software during the year.
Recommendation:	Alamo Colleges should establish procedures and internal controls, including monitoring controls, to ensure that the Davis-Bacon Act is complied with for federally funded construction projects.
Views of responsible officials and planned corrective actions:	During fiscal year 2014 Alamo Colleges acquired new software to collect, verify and provide information to monitor Davis-Bacon certified payrolls. Implementation issues were experienced including the monitoring of payroll submissions in the software to ensure compliance. Management is committed to a full and successful implementation of the software. Implementation date: 2015 Responsible person: Vice Chancellor for Finance and Administration

ALAMO COMMUNITY COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings - Federal
Year Ended August 31, 2014

Part III – Federal Award Findings and Questioned Costs Section

Criteria/Specific Requirement	Finding Number	Status	Management's Response
Special Tests and provisions – Return of Title IV Funds	13-F01 12-F03 11-03	Corrected	During fiscal year 2014, as part of the ongoing monitoring process, additional procedures were implemented to improve the accuracy of Title IV refund calculations. Procedures now require a second staff member to review and check the calculations. The primary responsibility for R2T4 completion has been moved to a higher level in 2014 due to the complex nature and numerous factors required for complete compliance.
Special Tests and Provisions – Direct Loan Notification	13-F02 12-F05 11-05	Partially Corrected	The causes of this finding continue to be addressed. During fiscal year 2013, a notification system, including proof of notification, was developed and put in place to notify students of disbursement details and the automated system was enhanced with a process implemented to identify any missed notifications.
Higher Education Institutional Aid – Davis Bacon Act	13-F03	Partially Corrected	As planned, policies and procedures associated with procurement of construction services were updated and new software was implemented to collect, verify and monitor Davis-Bacon certified payrolls. Alamo Colleges is working through some software implementation issues including the monitoring of payroll submissions in the software to ensure compliance. This finding continues to require management's attention until it is completely resolved.

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

Management and the Board of Trustees
Alamo Community College District

Report on Compliance for Each Major State Program

We have audited Alamo Community College District's, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively, the District) compliance with the types of compliance requirements described in the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular* (*Texas Single Audit Circular*) that could have a direct and material effect on each of the District's major state programs for the year ended August 31, 2014. The District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Ernst & Young LLP

December 22, 2014

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, 2014

Part I – Summary of Auditor's Results

Financial Statements Section

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

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

State Awards Section

Internal control over major programs:		
Material weakness identified?	Yes	X No
Significant deficiencies identified?	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:

Award Number(s)	Name of State Program
None	Texas Equalization Opportunity Grant Initial and Renewal
None	Texas Grant Initial and Renewal
1113SDF004, 2012SDF001, 2012SDF002, 2013SDF000, 2013SDF001, 2014SDF000, 2014SDF001	Skills Development Fund

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

Auditee qualified as low-risk auditee? Yes X No

Part II – Financial Statement Findings Section

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

No findings were noted.

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

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

No findings were noted.

ALAMO COMMUNITY COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings – State
Year Ended August 31, 2014

Part III – State Award Findings and Questioned Costs Section

Criteria/Specific Requirement	Finding Number	Status	Management's Response
THECB – Development Education Demonstration Project (DEDP) – Allowable Costs/Cost Principles-Certification of Payroll Expenses	13-S01 12-S03	Corrected	During fiscal year 2014, as planned, Alamo Colleges implemented an effort certification software module that interfaces with its administrative software, Banner to enhance accountability and monitoring efforts.

ALAMO
COLLEGES

Comprehensive Annual Financial Report
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