

Comprehensive Annual Financial Report

For the Years Ended August 31, 2016 and 2015



Alamo Community College District San Antonio, Texas



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

Dare to Dream. Prepare to Lead.™

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Comprehensive Annual Financial Report

For the Years Ended
August 31, 2016 and 2015

Prepared by:

Finance and Fiscal Services Department

ALAMO COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



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December 13, 2016

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, 2016. 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 2016, the Board of Trustees of Alamo Colleges affirmed the selection of the independent accounting firm of Grant Thornton to perform the annual audit. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Uniform Guidance, OMB Circular A-133 and the State of Texas Uniform Grant Management Standards. 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 Certified Public Accountants is located at the front of the financial section of this CAFR and Management's Discussion and Analysis (MD&A) immediately follows it. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and complements this letter of transmittal. The Notes to Financial Statements, also in the financial section, are considered integral to the basic financial statements and should be read in conjunction with them.

Profile

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

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

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

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

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

Economic Conditions and Outlook



Alamo Colleges operates in the strong economic area of San Antonio, Bexar County and surrounding counties. In April 2016, the San Antonio metropolitan recorded a historic high of its total workforce count, surpassing 1 million jobs for the first time ever, according to a report from Workforce Solutions Alamo. San Antonio's continued growth is attributed to the combination of lower business costs, continued job growth and a healthy city government. San Antonio is the nation's seventh-largest city, has a dynamic economy rapidly expanding from traditional military and service sectors into telecommunications, biomedical science, information technology, data security and advanced manufacturing. The Alamo Colleges have been an integral part of the Greater San Antonio community for more than 100 years, contributing significantly to the economic and social well-being of those who share this community with Alamo Colleges. It is highly regarded by the local business community for the quality of its workforce training and the success of its graduates. In the economic arena, a sizable 96% of its students stay in the region after they leave college and contribute positively to the local economy.

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

- Revenues from ad valorem taxes increased by 12.2% in 2016 as net assessed property values of the District increased from approximately \$114.8 billion in 2015 to \$129.6 billion in 2016. A pattern of predictable and increasing property values over the six most recent fiscal years relieves pressure to increase the tax rate for the District's constituents. San Antonio continues to see incredible growth in the area, as average and median prices for homes increased between August 2015 and 2016 by 4% and 7%, respectively, according to the *San Antonio Board of Realtors*. There was no increase in the District's tax rate for fiscal year 2016.
- State appropriations are critical to keeping student tuition rates low and remained flat in 2016. However, the state has decreased appropriations by approximately \$12.6 million or 14.0% since fiscal year 2010, as well as shifting 50% of the eligible employees in the employee health and retirement benefit cost (\$14.8 million) to the District. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement and student success outcomes. For fiscal years 2016, the State only provided 27% of the formula funding, down from 75% in 2008/2009.
- In October 2015, the Board of Trustees approved an across-the-board tuition increase of 5% effective with the Spring 2016 semester term. The previous increase to tuition and fees was in Fall 2012, approximately 4.5 years ago. This increase was needed to offset the decline in state appropriation and to provide recurring funding for the case management advising model. This model is expected to increase student persistence and accelerate the completion of credentials using intrusive and intentional interventions and tools that will guide students on their chosen academic and career pathway.

Alamo Colleges strives to avoid tuition increases, as well as ad valorem tax rate increases. Therefore, given the revenue positioning by Alamo Colleges and the State, strategically managing expenses is paramount. To encourage savings, the Board approved a savings incentive plan involving an annual distribution to each college based on budget savings and

other factors. A “rainy day fund” was established for strategic investments in students and employees as well as funding for one time initiatives related to items such as student success, employee development and safety.

Strategic and Long-Term Financial Planning



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

The budget is developed with broad-based staff involvement and is guided by budgetary, debt and financial policies approved by the Board. The budget includes a multi-year financial plan, which incorporates proposed increases for capital budgets, preventive maintenance and student success initiatives. A separate ten-year plan for Alamo Colleges projects an average of 3.11% 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 12,000 degrees and certificates awarded to students in fiscal year 2016, eclipsing the previous record of 9,778 awarded in the previous fiscal year. This achievement represents a tremendous 224% increase in degrees and certificates awarded between fiscal years 2006 and 2016, the largest increase among community colleges in Texas and among the largest in the nation. This improvement is directly related to two major initiatives implemented by the District. *4DX, the Four Disciplines of Execution*, provides a simple, repeatable set of practices for organizations and individuals to focus on what is important, to execute strategic priorities and to achieve superb results. The District also implemented MyMap (My Monitoring Academic Progress) which proactively engages students with deliberate activities at designated touch-points to ensure a consistent experience for students as they connect, enter, progress and complete their college goal.



Awards and Acknowledgments

The Alamo Colleges continues to be recognized both locally and nationally as a leader in higher education. For the third time in five years, the Alamo Colleges has been chosen by the Community College Futures Assembly (CCFA) to receive the national Bellwether Award, which recognizes outstanding and innovative programs in community college education. For 2016, the Alamo Colleges' Integrated Basic Education and Skills Training (I-BEST) program was the winner in the workforce development category, which recognizes programs that create public and/or private strategic alliances and partnerships that promote community and economic development. The Alamo I-BEST initiative provides training and employment assistance to workers and students who require basic skill development in order to succeed in technical training. I-BEST students benefit from technical training that is aligned with reading, writing, math or language skills needed for the job. Individuals eligible to participate in this program include developmental and adult basic education students, individuals with limited English, military veterans and spouses, high school dropouts and others.



The Alamo Colleges' District Support Operations (DSO) was awarded the 2016 Texas Award for Performance Excellence (TAPE) from the Quality Texas Foundation, in recognition of their continuing efforts to improve organizational effectiveness and sustainability. TAPE recipients are selected based on performance excellence criteria used at the national level for the Baldrige Performance Excellence Program, which awards the Malcom Baldrige National Quality Award, the nation's highest presidential honor for performance excellence. The honor singles out Alamo Colleges as a state role model for achieving sustained performance excellence.

For the third time, Alamo Colleges has been certified as one of the nation's leader colleges by Achieving the Dream: Community Colleges Count, a national

initiative focused on strategies for student completion. This designation is a national honor awarded to institutions that have shown three years of steady improvement in two outcomes that measure student success, and 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. The organization is comprised of more than 200 institutions of higher education, 100 coaches and advisors, 15 state policy teams, and numerous investors and partners working throughout 35 states to help more than 4 million community college students have a better chance of realizing greater economic opportunity and achieving their dreams.



Standard and Poor's (S&P) upgraded Alamo Colleges' bond credit rating from AA+ to AAA, making it the first time both Moody's and S&P have assigned Alamo Colleges general obligation debt with a AAA rating. S&P cited Alamo Colleges' deep and diverse economic base in Bexar County, a strong financial position with a diverse revenue stream and substantial operating flexibility as reasons for the improved rating. S&P also revised its Financial Management Assessment (FMA) from good to strong, indicating that the Alamo Colleges' financial practices are strong, well embedded, and sustainable. Moody's rating agency cited Alamo Colleges' competitive edge, robust area location, and large growing tax base as contributing factors for its high rating. Alamo Colleges is one of the few community college districts in the United States who has achieved the highest possible rating from both of the top rating agencies.

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Alamo Colleges for its comprehensive annual financial report for the fiscal year ended August 31, 2015. This was the seventh consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA August 31, 2016

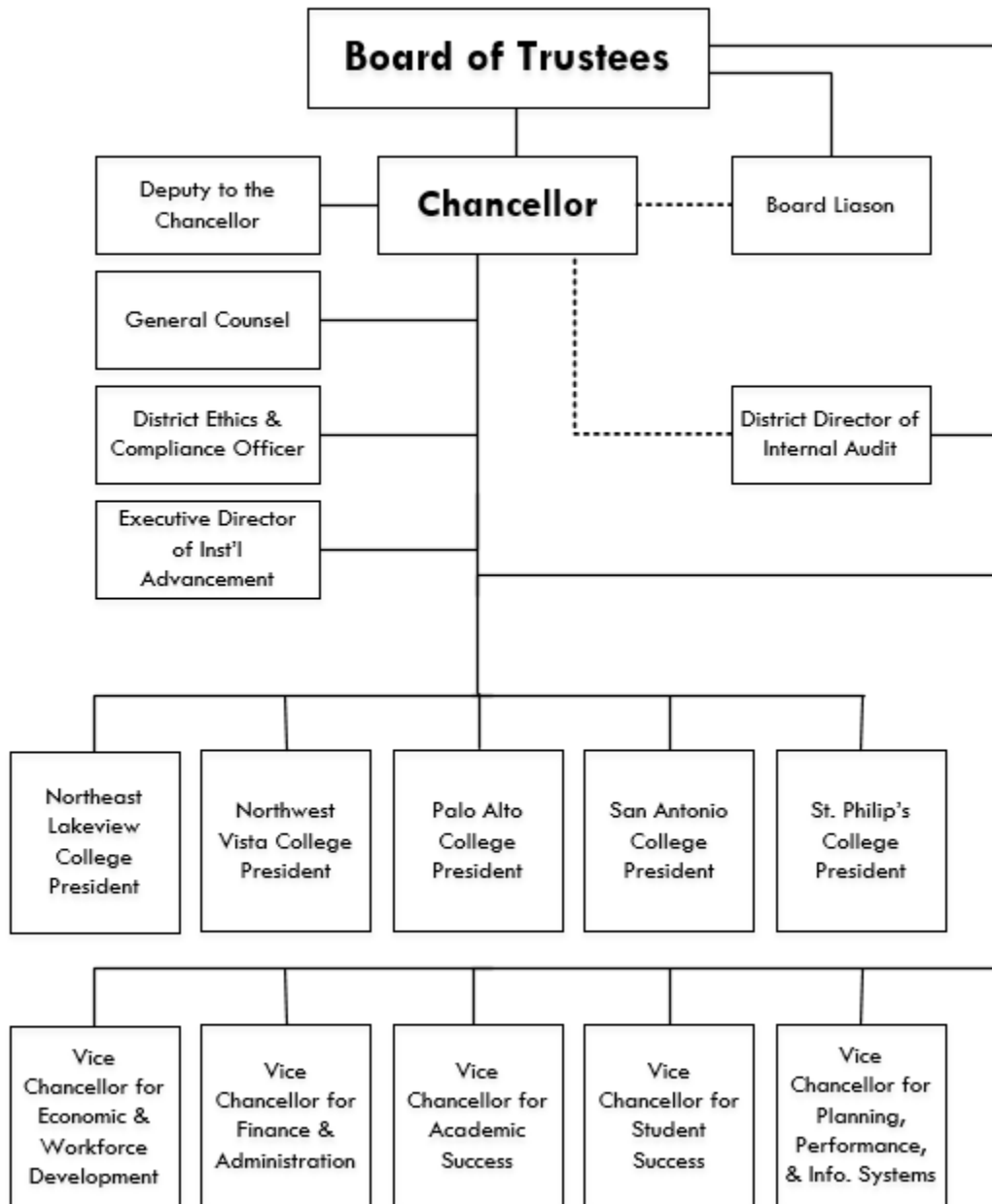
ELECTED OFFICIALS

Member	Position	City, State	Term Expires
Dr. Yvonne Katz	Chairperson	San Antonio, Texas	2018
Marcelo Casillas	Vice-Chairperson	San Antonio, Texas	2022
Dr. Gene Sprague	Secretary	Helotes, Texas	2018
Denver McClendon	Assistant Secretary	San Antonio, Texas	2022
Anna U. Bustamante	Member of the Board	San Antonio, Texas	2022
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	2022
Clint Kingsbery	Member of the Board	San Antonio, Texas	2020
James A. Rindfuss	Member of the Board	Universal City, Texas	2020
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. Thomas S. Cleary	Interim President, Northeast Lakeview College
Dr. Ric Neal Baser	President, Northwest Vista College
Dr. Michael Flores	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Vela	President, San Antonio College
Pamela Ansboury, CPA, M.Ed.	Associate Vice Chancellor for Finance and Fiscal Services
Gertrud Moreno, CPA, MBA	District Controller
William Wullenjohn Sr.	District Director of Internal Audit

ALAMO COMMUNITY COLLEGE DISTRICT



ALAMO COMMUNITY COLLEGE DISTRICT

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

MISSION

Empowering our diverse communities for success.

VISION

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

VALUES

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



STUDENTS FIRST



RESPECT FOR ALL



COMMUNITY-ENGAGED



CAN-DO SPIRIT



COLLABORATION



DATA-INFORMED



Government Finance Officers Association

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

Presented to

**Alamo Community College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2015

Executive Director/CEO



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Financial Section



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management and Board of Trustees
Alamo Community College District

Grant Thornton LLP
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Report on the financial statements

We have audited the accompanying financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College (collectively the District), as of and for the years ended August 31, 2016 and 2015, and the related notes to the financial statements, which comprise the District's basic financial statements, as listed in the Financial Section of the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Alamo Colleges Foundation, Inc. or the ACCD Public Facility Corporation, which collectively represent 100% percent of the assets, net position and revenues of the aggregate discretely presented component units of the District as of and for the years ended August 31, 2016 and 2015. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Alamo Colleges Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

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

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

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

Opinion

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2016 and 2015, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 – 29, and Schedule of District's Proportionate Share of Net Pension Liability and Schedule of District's Contributions on pages 79 through 81, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards for the year ended August 31, 2016, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Schedule of Expenditures of State Awards for the year ended August 31, 2016, as required by the State of Texas Uniform Grant Management Standards, the Schedule of Operating Revenues for the year ended August 31, 2016, the Schedule of Operating Expenses by Object for the year ended August 31, 2016, the Schedule of Non-Operating Revenues and Expenses for the year ended August 31, 2016, and the Schedule of Net Position by Source and Availability for the year ended August 31, 2016, as required by the Texas Higher Education Coordinating Board (THECB), (collectively the Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such Supplementary Information is the responsibility

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

Other Information

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

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 13, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Antonio, Texas
December 13, 2016



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ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis (MD&A) is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (Alamo Colleges, District or ACCD) for the fiscal year ended August 31, 2016. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

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

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

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2016; 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 \$11.8 million and total liabilities decreased \$28.3 million.
- The District's net position at August 31, 2016 was \$264.7 million, reflecting a \$25.6 million increase from the prior year.
- The District's operating loss was \$301.6 million.
- Cash and Cash Equivalents decreased \$5.1 million during the year ended August 31, 2016.
- The bond rating for the District's general obligation bonds is Aaa by Moody's Investors Service, the highest rating possible, and was upgraded by Standard & Poor's to AAA, the highest possible rating.

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

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

Statements of Net Position

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

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

A Condensed Schedule of Net Position is presented on the following page. Total assets decreased 1.3% or \$11.8 million during fiscal year 2016. The decrease was the result of a \$19.0 million decrease to net capital assets due to depreciation and a \$5.1 million decrease to cash and cash equivalents, offset by increases to accounts receivable and investments of \$5.3 million and \$7.2 million, respectively. In fiscal year 2015, total assets decreased \$28.2 million or 3.0% primarily due to a \$21.3 million decrease to net capital assets due to depreciation and a liquidation of current liabilities of approximately \$5.6 million.

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

In 2015, the liability section of the District's Statements of Net Position was significantly impacted by the implementation of GASB 68, as explained previously. Total liabilities increased 1.8% or \$11.7 million when including the effect of implementing GASB 68. Excluding the effect of implementing GASB 68, which required the recording of a \$48.5 million net pension liability in noncurrent liabilities, total liabilities decreased 5.6% or \$36.8 million. Noncurrent liabilities consist primarily of bonds payable, the net pension liability and other long-term commitments. In 2015, noncurrent liabilities increased \$17.3 million or 3.0%. Excluding the effect of implementing GASB 68, which required the recording of a noncurrent net pension liability of \$48.5 million, noncurrent liabilities decreased \$31.2 million or 5.3%. This decrease was primarily attributable to debt service payments on bonds and maintenance tax notes and a cash defeasance of \$4.9 million on Series 2007 Maintenance Tax Notes. The \$5.6 million decrease to current liabilities during 2015 was primarily related to the liquidation of accounts payable and reduction of accrued liabilities, partially offset by an increase in the current portion of long-term liabilities.

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

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Deferred outflows of resources and deferred inflows of resources increased by \$8.3 million and \$14.7 million, respectively, in fiscal year 2015 primarily due to the implementation of GASB 68 as amended by GASB 71, as discussed previously.

The District's net position at August 31, 2016 was \$264.7 million compared to \$239.1 million at August 31, 2015. This increase of \$25.6 million is primarily attributable to excess revenues over expenses including increased ad valorem tax revenues of \$20.5 million, increased operating grants and contract revenues of \$7.4 million, decreased costs for interest on capital related debt of approximately \$3.3 million, all partially offset by increased operating expenses of \$5.5 million over fiscal year 2015. In 2015, net position decreased by \$46.4 million from \$285.5 million to \$239.1 million. The decrease was attributable to the restatement to beginning net position in 2015 of \$54.9 million as required by the implementation of GASB 68, as amended by GASB 71. Ignoring the effect of the aforementioned restatement to beginning net position, the District's net position increased by \$8.5 million in 2015, as a result of excess revenues over expenses related to increases of \$5.6 million and \$8.2 million in the expendable and net investment in capital asset components of net position.

Condensed Schedule of Net Position (in millions)

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
Assets					
Cash and cash equivalents	\$ 33.6	\$ 38.7	\$ 45.2	\$ (5.1)	\$ (6.5)
Accounts and notes receivable, net	14.5	9.2	10.2	5.3	(1.0)
Investments	117.1	109.9	109.5	7.2	0.4
Other	4.4	4.4	4.4	-	-
Capital assets	1,077.2	1,066.2	1,058.1	11.0	8.1
Accumulated depreciation	(347.6)	(317.6)	(288.2)	(30.0)	(29.4)
Total assets	<u>899.2</u>	<u>911.0</u>	<u>939.2</u>	<u>(11.8)</u>	<u>(28.2)</u>
Deferred Outflows of Resources					
Deferred outflows related to bond refundings	8.1	8.0	8.4	0.1	(0.4)
Deferred outflows related to pensions	11.4	8.7	-	2.7	8.7
Total deferred outflows of resources	<u>19.4</u>	<u>16.7</u>	<u>8.4</u>	<u>2.7</u>	<u>8.3</u>
Liabilities					
Current liabilities	86.7	73.8	79.4	12.9	(5.6)
Noncurrent liabilities	557.9	599.2	581.9	(41.3)	17.3
Total liabilities	<u>644.7</u>	<u>673.0</u>	<u>661.3</u>	<u>(28.3)</u>	<u>11.7</u>
Deferred Inflows of Resources					
Deferred inflows related to bond refunding	0.8	0.8	0.9	-	(0.1)
Deferred inflows related to pensions	8.5	14.8	-	(6.3)	14.8
Total deferred inflows of resources	<u>9.3</u>	<u>15.6</u>	<u>0.9</u>	<u>(6.3)</u>	<u>14.7</u>
Net Position					
Net investment in capital assets	210.3	188.8	180.6	21.5	8.2
Restricted (expendable)	24.6	24.2	18.7	0.4	5.5
Unrestricted	29.8	26.0	86.2	3.8	(60.2)
Total net position	<u>\$ 264.7</u>	<u>\$ 239.1</u>	<u>\$ 285.5</u>	<u>\$ 25.6</u>	<u>\$ (46.4)</u>
Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.					

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

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, 2016, 2015 and 2014 is presented below in table and chart form. As discussed previously, a restatement to beginning net position in fiscal year 2015 was required by the implementation of GASB 68, as amended by GASB 71.

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

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
Operating revenues and expenses:					
Operating revenues (detail in following sections)	\$ 90.9	\$ 84.0	\$ 85.6	\$ 7.0	\$ (1.6)
Operating expenses (detail in following sections)	392.5	387.0	383.7	5.5	3.3
Operating loss	(301.6)	(303.1)	(298.1)	1.5	(5.0)
Non-operating revenues (expenses):					
State appropriations	77.5	77.5	77.0	-	0.5
Ad valorem taxes	188.3	167.8	157.7	20.5	10.1
Federal and State grants, non-operating	84.2	89.8	88.7	(5.6)	1.1
Investment income	1.2	0.8	1.0	0.4	(0.2)
Interest on capital related debt & maintenance tax notes	(20.1)	(23.4)	(25.1)	3.3	1.7
Other non-operating expenses	(3.8)	(0.9)	(3.7)	(2.9)	2.8
Total non-operating revenues, net	327.2	311.6	295.6	15.6	16.0
Increase (decrease) in net position	25.6	8.5	(2.5)	17.1	11.0
Net position - beginning of year, as restated for FY15 (Note 2)	239.1	230.6	288.0	(46.4)	(57.4)
Net position - end of year	\$ 264.7	\$ 239.1	\$ 285.5	\$ 25.6	\$ (46.4)

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

ALAMO COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis
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Operating Revenues
(in millions)

	2016		2015		2014		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2015 to 2016	2014 to 2015
Net tuition and fees	\$ 57.5	63.3%	\$ 58.2	69.4%	\$ 58.8	68.7%	\$ (0.7)	\$ (0.6)
Grants and contracts	24.8	27.3%	17.4	20.7%	18.9	22.1%	7.4	(1.5)
Auxiliary enterprises	5.1	5.6%	4.9	5.8%	5.1	6.0%	0.2	(0.2)
Other operating revenues	3.5	3.9%	3.4	4.1%	2.8	3.3%	0.1	0.6
Total operating revenues	\$ 90.9	100.0%	\$ 84.0	100.0%	\$ 85.6	100.0%	\$ 7.0	\$ (1.6)

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

As shown in the operating revenues table above, total operating revenues increased \$7.0 million, or 8.3%, during 2016 and decreased \$1.6 million, or 1.9%, in fiscal year 2015. The increase in 2016 is primarily due to a \$7.4 million increase in funding received from operating grants and contracts offset by a slight reduction of net tuition and fees of \$0.7 million. The decrease in fiscal year 2015 is primarily related to reductions in federal grants and contracts revenue and net tuition and fees, offset by an increase in other operating revenues which included various one-time receipts.

Net non-operating revenues increased by \$15.6 million or 5.0% in 2016 and by \$16.0 million or 5.4% in 2015. The \$15.6 million increase in 2016 was due to an increase in ad valorem tax collections of \$20.5 million resulting from an increase to property tax valuations in the District's constituency of over 13%, partially offset by a decrease in non-operating federal and state grants and contract revenues of \$5.6 million. The increase in 2015 resulted from a \$10.1 million or 6.4% increase in ad valorem tax collections, along with an increase of \$2.7 million in non-operating state grant revenue.

Components of Net Tuition and Fees
(in millions)

	2016		2015		2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	\$ 110.9	92.5%	\$ 106.0	89.7%	\$ 106.6	91.2%
CE and contract training	3.5	2.9%	6.5	5.5%	3.5	3.0%
Fees	5.5	4.6%	5.7	4.8%	6.8	5.8%
Total tuition and fees	\$ 119.8	100.0%	\$ 118.2	100.0%	\$ 116.9	100.0%

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

	% of Total		% of Total		% of Total	
	Amount	Tuition & Fees	Amount	Tuition & Fees	Amount	Tuition & Fees
Waivers and financial aid	\$ 62.4	52.1%	\$ 60.0	50.8%	\$ 58.1	49.7%

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

The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented above. For financial statement presentation, total tuition and fees are 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 2016, tuition represents 92.5% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing 2.9% and the remaining 4.6% consisting of continuing education (CE) and contract training tuition. For 2015, tuition represented 89.7% of the total tuition and fee revenue, with fees related to continuing education and

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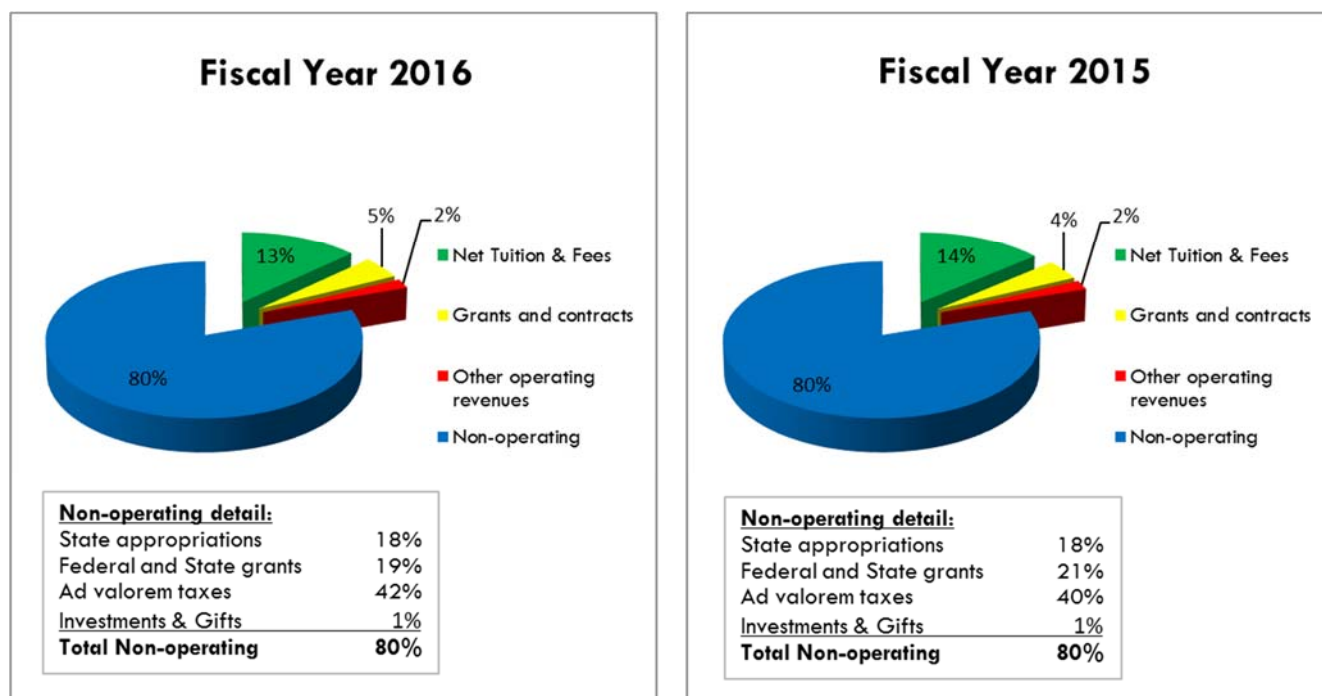
student services such as processing and student activities contributing 4.8% and the remaining 5.5% consisting of continuing education (CE) and contract training tuition.

Overall net tuition and fees decreased \$0.7 million or approximately 1.0% over 2015. This was due to increased tuition discounts of approximately \$2.4 million resulting from an increase in local remissions and exemptions for high school programs. For 2015, the \$0.6 million decrease in gross tuition is related to a slight decrease in credit hours. The total number of credit students attending, including exempt and dual credit students decreased from 59,351 in fall 2013 to 57,675 in fall 2014.

The treatment of Federal Pell paid to students represents a tuition discount (financial aid) if the Federal Pell pays tuition and fees on the individual student's account and represents scholarships if it pays other charges. Overall combined federal and state student aid decreased by \$5.6 million in 2016 and increased \$1.1 million in 2015. The decrease in Federal Pell awards is related to an upswing in the local economy which has contributed to fewer Pell eligible students in attendance and an overall decrease in total credit hours as more potential students enter the job market. The \$1.6 million decrease in federal non-operating grant revenues in fiscal year 2015 was offset by a \$2.7 million increase in State funding for student aid, primarily in Texas Educational Opportunity Grants (TEOG). In addition, other amounts in this category such as institutional allowances and scholarships and dual credit exemptions increased \$1.4 million and \$2.9 million in 2015 and 2014, respectively. The tuition discount rate increased from 49.7% in 2014 to 50.8% in 2015.

Following is a chart of the major sources of revenue for fiscal years 2016 and 2015, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 80% for both 2016 and 2015. 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



Operating expenses are presented on the following pages for three years in both a natural and a functional classification. Salaries and wages increased \$3.9 million or 2.3% from fiscal year 2015 to 2016 and increased \$1.6

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million or 1.0% between 2014 and 2015. The increase in fiscal year 2016 is related to additional advisor positions filled in support of the "high-touch" advisor model, which enables all students access to a certified advisor to guide them through their educational pathway. For fiscal year 2015, the District's budget contained two compensation adjustments aimed at establishing Alamo Colleges as an employer that offers a fair and competitive salary to its faculty and staff. The faculty salary plan for full-time faculty increased to continue the policy of aligning the District more closely with its top three peers in Texas. Salaries for additional staff were increased as a result of a compensation study initiated in fall 2013 to ensure a consistent pay structure that aligns jobs, titles, grades and pay ranges is realized.

For fiscal year 2016, expenses for benefits increased by \$5.5 million or 11.8%. This increase corresponds with the increase in the number of advisors discussed previously, as well as increased health care premiums paid to the Employees Retirement System of Texas (ERS) of \$2.3 million and a \$2.1 million increase in the allocation of pension expense related to on-behalf TRS contributions paid by the State of Texas. For fiscal year 2015, expenses for benefits increased by \$1.7 million or 3.7%. This increase is coincident with the salary adjustments mentioned previously that were a result of a fall 2013 compensation study aimed at aligning District personnel salaries and benefits with its top three peers. In addition, benefits expense increased due to an increase in health insurance costs.

Scholarships and fellowships expense represents the amount disbursed to a student after a scholarship award is credited to the student's account for payment of tuition and fees. Scholarships and fellowships decreased by \$3.9 million or 6.8% in 2016 due to a decrease in nonoperating Federal and State grants and contract funding which translates into fewer scholarships awarded. Scholarships and fellowships decreased by \$1.5 million or 2.5% in 2015 as fewer Pell eligible students attended due to an upswing in the local economy and more potential students entered the job market.

Operating Expenses in Natural Classification (in millions)

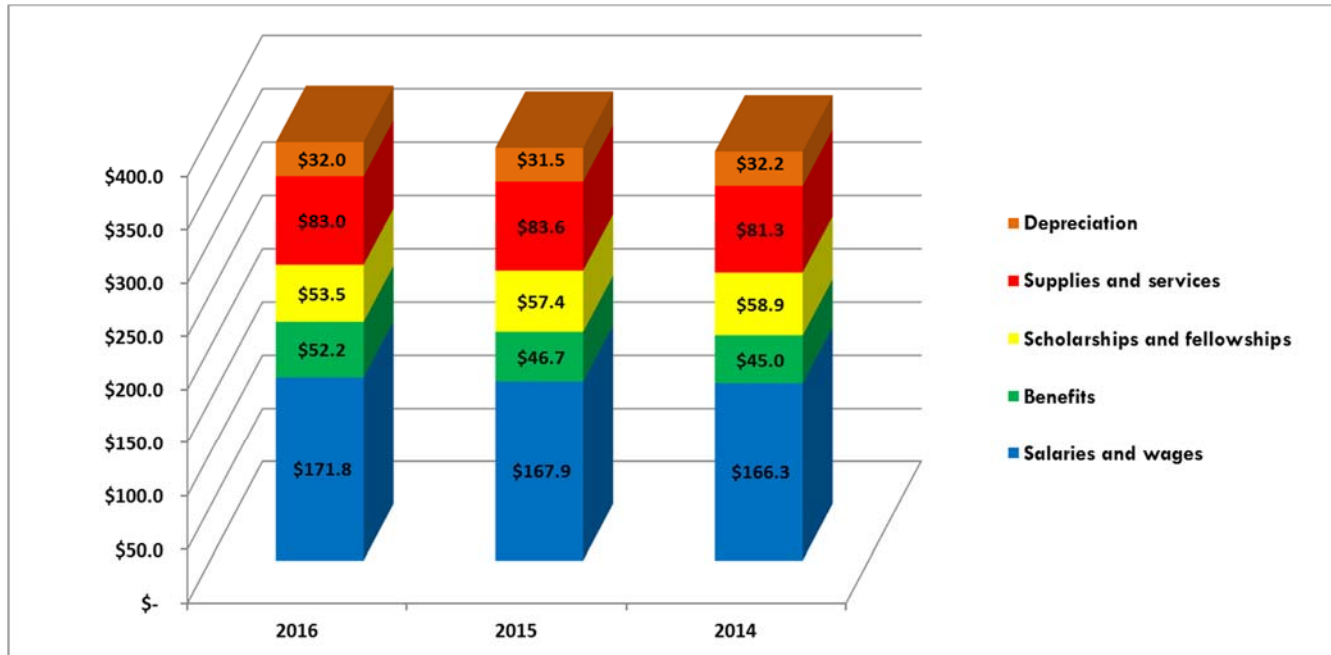
	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
Salaries and wages	\$ 171.8	\$ 167.9	\$ 166.3	\$ 3.9	\$ 1.6
Benefits	52.2	46.7	45.0	5.5	1.7
Scholarships and fellowships	53.5	57.4	58.9	(3.9)	(1.5)
Supplies and services	83.0	83.6	81.3	(0.6)	2.3
Depreciation	32.0	31.5	32.2	0.5	(0.7)
Total operating expenses	\$ 392.5	\$ 387.0	\$ 383.7	\$ 5.5	\$ 3.3

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

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



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

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
Instruction	\$ 125.5	\$ 125.7	\$ 125.9	\$ (0.2)	\$ (0.2)
Public service	0.9	1.3	1.6	(0.4)	(0.3)
Academic support	24.8	25.1	24.7	(0.3)	0.4
Student services	45.7	43.0	36.8	2.7	6.2
Institutional support	70.0	65.2	65.2	4.8	-
Operation and maintenance of plant	38.3	36.1	36.8	2.2	(0.7)
Depreciation	32.0	31.5	32.1	0.5	(0.6)
Scholarships and fellowships	53.5	57.4	58.9	(3.9)	(1.5)
Total educational and general expenses	390.7	385.3	382.0	5.4	3.3
Auxiliary enterprises	1.8	1.7	1.7	0.1	-
Total operating expenses	<u>\$ 392.5</u>	<u>\$ 387.0</u>	<u>\$ 383.7</u>	<u>\$ 5.5</u>	<u>\$ 3.3</u>

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

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

- Instruction includes expenses for all activities that are a part of the instructional program, such as faculty salaries and benefits. Instruction expenses decreased \$0.2 million in both fiscal years 2015 and 2016. The decreases in both years are related to vacancies in faculty positions as the District continues to move towards its goal of a 50/50 ratio of full and part-time faculty.
- Public service expense decreased by \$0.4 million and \$0.3 million in fiscal years 2016 and 2015, respectively. The decrease in 2016 is a result of the winding down of costs associated with completion of the final furnishings and renovations for the Challenger Learning Center in fiscal year 2015. The 2015 decrease was due to the completion of the majority of renovations and purchases of furniture and equipment related to the Scobee Planetarium and Challenger Learning Center in the prior year.
- Academic support decreased by \$0.3 million in fiscal year 2016 and increased by \$0.4 million in fiscal year 2015. The 2016 decrease is primarily related to reduced costs for continuing education administration. The increase in 2015 resulted from increased costs for health care and other benefits for non-faculty employees.
- Student services increased in fiscal year 2016 by \$2.7 million and increased \$6.2 million from fiscal year 2014 to 2015. The \$2.7 million increase in 2016 was a result of continued investments in strategic initiatives for a student case management advising system and training. The \$6.2 million increase in 2015 is related to investments made to implement the Alamo Institutes and the case management advising system, the establishment of a new corporate college and funds spent to support social media and expand the support call center.
- For fiscal year 2016, institutional support increased by \$4.8 million or 7.3% primarily attributable to increases in continuing education costs, public safety, professional development and elections. During fiscal year 2015, institutional support remained flat.
- The category of operation and maintenance of plant increased by \$2.2 million in 2016 due to fewer projects completed that were eligible for capitalization treatment, an increase of approximately \$1.3 million in preventative and building maintenance costs, and an increase in benefit expenses for repair and maintenance employees of approximately \$0.6 million. Expenses for the operation and maintenance of plant decreased by \$0.7 million in 2015 due to slightly fewer maintenance costs in fiscal year 2015.
- Scholarship and fellowships decreased by \$3.9 million in 2016 due to fewer scholarships awarded because of decreased funding from Federal and State grants and contracts, including Pell grants. Scholarship and fellowships decreased by \$1.5 million in 2015, primarily because fewer Pell eligible students attended due to an upswing in the local economy, with more potential students entering the job market, as previously noted.

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 \$5.1 million and \$6.5 million at

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August 31, 2016 and 2015, respectively. 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 \$5.1 million decrease in cash and cash equivalents in fiscal year 2016 is primarily attributable to a net outflow of approximately \$6.0 million related to sales and purchases of investments. The \$6.5 million decrease in cash and cash equivalents in fiscal year 2015 is primarily due to capital asset purchases made from bond proceeds and other sources.

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The District had \$729.6 million and \$748.6 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2016 and 2015, respectively. Depreciation and amortization expenses totaled \$32.0 million in fiscal year 2016 and \$31.5 million in fiscal year 2015 (Note 5). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
Land	\$ 53.0	\$ 53.0	\$ 52.4	\$ -	\$ 0.6
Construction in progress and works of art	8.2	0.2	18.7	8.0	(18.5)
Buildings and building improvements	597.6	621.2	622.9	(23.6)	(1.7)
Other real estate improvements	61.5	64.2	65.3	(2.7)	(1.1)
Furniture, machinery and equipment	7.5	7.8	8.1	(0.3)	(0.3)
Software	0.1	0.1	0.2	-	(0.1)
Library materials	1.8	2.1	2.3	(0.3)	(0.2)
Total capital assets, net of accumulated depreciation	<u>\$ 729.6</u>	<u>\$ 748.6</u>	<u>\$ 769.9</u>	<u>\$ (19.0)</u>	<u>\$ (21.3)</u>

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

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated to August 31, 2016 and 2015.

Depreciable Capital Assets and Accumulated Depreciation Percentages (in millions)

	Fiscal Year 2016			Fiscal Year 2015		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	\$ 125.6	\$ 64.1	51.0%	\$ 123.9	\$ 59.7	48.2%
Buildings and bldg improvements	833.1	235.5	28.3%	832.2	211.0	25.4%
Furniture, machinery and equipment	38.2	30.6	80.1%	37.5	29.6	79.0%
Software	3.1	3.0	96.8%	3.1	3.0	96.8%
Library materials	16.1	14.3	88.8%	16.3	14.3	87.7%
TOTAL	<u>\$ 1,016.1</u>	<u>\$ 347.6</u>	<u>34.2%</u>	<u>\$ 1,013.0</u>	<u>\$ 317.6</u>	<u>31.4%</u>

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

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Management's Discussion and Analysis (Unaudited)

Major capital additions and renovations completed or in progress during fiscal years 2016 and 2015 include the following:

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

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

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

The District has entered into several contracts for construction and various other renovation projects financed by bond proceeds. As of August 31, 2016 and 2015, the District was committed for approximately \$12.2 million and \$11.8 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 \$482.2 million and \$528.2 million in outstanding bond and maintenance tax note debt at August 31, 2016 and 2015, respectively, before premiums and discounts. Outstanding debt decreased by \$45.9 million and \$28.5 million in fiscal years 2016 and 2015, respectively. The following table summarizes these amounts by type of debt instrument. See also Notes 8 and 9 to the basic financial statements for additional information.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Bonds and Tax Notes Payable
(in millions)

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
General obligation bonds	\$ 346.2	\$ 364.8	\$ 374.4	\$ (18.6)	\$ (9.6)
Revenue bonds	59.3	64.0	68.6	(4.7)	(4.6)
Tax notes	76.8	99.4	113.7	(22.6)	(14.3)
Total outstanding debt	\$ 482.2	\$ 528.2	\$ 556.7	\$ (45.9)	\$ (28.5)

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

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

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

The 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 District received bond ratings for its general obligation bonds of Aaa and AAA from Moody's Investors Service and Standard & Poor's, respectively. These are the highest ratings available from these rating agencies and it was the first time that the District received the highest rating from both agencies. More detailed information about the District's noncurrent liabilities is presented in Notes 6, 7 and 8 to the basic financial statements.

Factors Having Probable Future Financial Significance

The economic condition of 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 2016 unemployment rate for San Antonio, the state of Texas and the United States to be 3.9%, 5.0% and 5.0%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states, with the San Antonio economy being one of the strongest in the state. In fact, the Texas Workforce Commission reports that the Texas labor force has increased by over 330,000 people over the last year.

The San Antonio metropolitan area is considered one of the most attractive locations in the nation for business growth due to affordable land, abundant power, and an education system that continues to evolve and improve. According to the *San Antonio Economic Development Foundation*, the Brookings Institute names San Antonio as one of the strongest-performing economies among the 100 largest metropolitan areas in the United States, and #1 in overall performance based on employment and unemployment levels. It is the seventh largest city in the United States and the second largest city in Texas. In May 2015, *Forbes* magazine listed San Antonio as #9 in its Top 15 Cities for Jobs Right Now, with nearly 30,000 job openings as of the date of the publication. *Forbes* also ranked San Antonio #24 in job growth and #61 in its 2016 list of the Best Places for Business and Careers.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

The level of state appropriations Texas community colleges historically received enabled the low tuition rates community colleges provide. The State decreased appropriations and benefit coverage and drastically changed the revenue mix. Tuition revenue from students and tax revenue from local property owners now comprise approximately 70% of the primary revenue streams used for operations. In the past, the State paid a significant portion of health benefits and all of the retirement contribution matches and provided an allocation adequate to cover instruction costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. In 2014, it reduced the State's portion of retirement and health benefit coverage to 50% of eligible employees' retirement and health benefit costs. In the long term, without the State's full support, Texas community colleges will be forced to adjust the level of services to students and possibly significantly raise tuition and ad valorem tax rates.

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



ALAMO
COLLEGES

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1**

**Statements of Net Position
August 31, 2016 and 2015**

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,512,559	\$ 12,660,033
Restricted cash and cash equivalents	22,116,393	26,066,998
Investments	48,943,015	69,534,948
Accounts receivable and notes receivable, net of allowance	14,474,468	9,222,587
Other assets	180,544	108,230
Total current assets	97,226,979	117,592,796
Noncurrent assets:		
Long-term investments - operating	68,179,485	40,390,771
Other assets	4,212,575	4,336,853
Capital assets (net)	729,596,252	748,644,956
Total noncurrent assets	801,988,312	793,372,580
TOTAL ASSETS	899,215,291	910,965,376
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to bond refundings	8,059,226	8,033,147
Deferred outflows related to pensions	11,374,162	8,722,765
Total deferred outflows of resources	19,433,388	16,755,912
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	16,509,226	15,132,336
Funds held for others	660,671	662,206
Unearned income	32,308,859	29,753,467
Current portion of long-term liabilities	37,258,050	28,204,296
Total current liabilities	86,736,806	73,752,305
Noncurrent liabilities	557,916,060	599,243,675
TOTAL LIABILITIES	644,652,866	672,995,980
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to bond refunding	784,233	821,733
Deferred inflows related to pensions	8,498,614	14,822,858
Total deferred inflows of resources	9,282,847	15,644,591
NET POSITION		
Net investment in capital assets	210,275,160	188,809,909
Restricted for:		
Expendable		
Student aid	8,411,997	9,590,314
Instructional programs	1,121,710	1,088,498
Capital projects	623,258	2,501,875
Debt service	14,434,244	11,060,012
Unrestricted	29,846,597	26,030,109
TOTAL NET POSITION	\$ 264,712,966	\$ 239,080,717

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, 2015 and 2014**

	2015	2014
ASSETS		
Cash and certificates of deposit	\$ 1,997,135	\$ 4,400,239
Contributions receivable	1,076,871	1,230,410
Investments:		
Fixed income securities	3,176,983	1,794,634
Mutual funds	4,187,152	5,400,706
Marketable securities	9,852,381	8,935,799
TOTAL ASSETS	20,290,522	21,761,788
 LIABILITIES AND NET POSITION		
Accounts payable and accrued liabilities	\$ 21,477	\$ 115,690
Due to affiliates	37,372	32,940
TOTAL LIABILITIES	58,849	148,630
 Net Position		
Unrestricted	103,233	128,339
Temporarily restricted	6,281,597	8,111,012
Permanently restricted - endowments	13,846,843	13,373,807
TOTAL NET POSITION	20,231,673	21,613,158
 TOTAL LIABILITIES AND NET POSITION	\$ 20,290,522	\$ 21,761,788

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1B**

**Statements of Net Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
August 31, 2016 and 2015**

	2016	2015
ASSETS		
Current assets:		
Cash	\$ 222,908	\$ 223,680
Noncurrent assets:		
Capital assets - land	5,099,847	5,099,847
TOTAL ASSETS	5,322,755	5,323,527
LIABILITIES		
Current liabilities:		
Current portion of unearned lease revenue	24,000	24,000
Noncurrent liabilities:		
Note payable	2,000,000	2,000,000
Unearned lease revenue	1,678,000	1,702,000
Interest payable	326,667	246,667
Total noncurrent liabilities	4,004,667	3,948,667
TOTAL LIABILITIES	4,028,667	3,972,667
NET POSITION		
Net investment in capital assets	3,099,847	3,099,847
Unrestricted	(1,805,759)	(1,748,987)
TOTAL NET POSITION	\$ 1,294,088	\$ 1,350,860

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, 2016 and 2015**

	2016	2015
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$62,372,827 and \$59,985,982, respectively)	\$ 57,455,959	\$ 58,189,683
Federal grants and contracts	20,368,907	11,778,488
State grants and contracts	1,920,275	3,947,810
Local grants and contracts	1,945,107	1,296,948
Non-governmental grants and contracts	585,483	412,843
Auxiliary enterprises	5,127,884	4,928,513
Other operating revenues	3,515,868	3,404,657
Total operating revenues (Schedule A)	90,919,483	83,958,942
OPERATING EXPENSES:		
Instruction	125,546,121	125,728,110
Public service	855,810	1,316,159
Academic support	24,846,336	25,110,376
Student services	45,706,632	42,970,921
Institutional support	69,971,764	65,194,666
Operation and maintenance of plant	38,293,737	36,124,418
Scholarships and fellowships	53,517,142	57,362,225
Auxiliary enterprises	1,756,631	1,722,356
Depreciation and amortization	32,007,639	31,517,072
Total operating expenses (Schedule B)	392,501,812	387,046,303
Operating loss	(301,582,329)	(303,087,361)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	77,485,937	77,540,886
Ad valorem taxes		
Taxes for maintenance and operations	132,979,101	119,772,762
Taxes for maintenance notes	26,877,429	19,117,242
Taxes for general obligation bonds	28,396,390	28,916,338
Federal grants, non-operating	79,919,261	82,691,427
State grants, non-operating	4,271,961	7,062,622
Gifts	2,601,871	1,341,557
Investment income	1,168,384	774,618
Interest on capital related debt	(15,793,684)	(18,560,788)
Interest on maintenance tax notes	(4,277,429)	(4,807,242)
Other non-operating expenses	(6,414,643)	(2,283,585)
Net non-operating revenues (Schedule C)	327,214,578	311,565,837
Increase in net position	25,632,249	8,478,476
NET POSITION:		
Net position - beginning of year, as restated for FY15 (Note 2)	239,080,717	230,602,241
Net position - end of year (Schedule D)	\$ 264,712,966	\$ 239,080,717

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, 2015 and 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net position at January 1, 2014	\$ 147,762	\$ 7,069,876	\$ 12,267,711	\$ 19,485,349
Support and revenue:				
Contributions	168,112	3,699,927	971,887	4,839,926
In-kind revenue	551,206	-	-	551,206
Interest and dividend income	-	263,410	-	263,410
Gain on investments	-	233,388	-	233,388
Net position released from restrictions	<u>3,053,530</u>	<u>(3,053,530)</u>	-	-
Total revenue	3,772,848	1,143,195	971,887	5,887,930
Expenses:				
Program	3,260,157	-	-	3,260,157
General and administrative	302,566	-	-	302,566
Fundraising	<u>197,398</u>	<u>-</u>	<u>-</u>	<u>197,398</u>
Total expenses	3,760,121	-	-	3,760,121
Increase in net position	12,727	1,143,195	971,887	2,127,809
Designated transfers	(32,150)	(102,059)	134,209	-
Net position at December 31, 2014	128,339	8,111,012	13,373,807	21,613,158
Support and revenue:				
Contributions	126,532	2,172,704	232,660	2,531,896
In-kind revenue	453,160	-	-	453,160
Interest and dividend income	-	233,723	-	233,723
Loss on investments	-	(510,554)	-	(510,554)
Net position released from restrictions	<u>3,567,189</u>	<u>(3,567,189)</u>	-	-
Total revenue	4,146,881	(1,671,316)	232,660	2,708,225
Expenses:				
Program	3,592,687	-	-	3,592,687
General and administrative	363,262	-	-	363,262
Fund-raising	<u>133,761</u>	<u>-</u>	<u>-</u>	<u>133,761</u>
Total expenses	4,089,710	-	-	4,089,710
Increase (decrease) in net position	57,171	(1,671,316)	232,660	(1,381,485)
Designated transfers	(82,277)	(158,099)	240,376	-
Net position at December 31, 2015	<u>\$ 103,233</u>	<u>\$ 6,281,597</u>	<u>\$ 13,846,843</u>	<u>\$ 20,231,673</u>

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2B**

**Statements of Revenues, Expenses and Changes in Net Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
For Years Ended August 31, 2016 and 2015**

	2016	2015
OPERATING REVENUES/(EXPENSES):		
Lease revenue	\$ 24,000	\$ 24,000
Developer fees	-	223,775
Bank charges (net of interest income)	(772)	(95)
Total net operating revenues	23,228	247,680
 Operating income	 23,228	 247,680
NON-OPERATING (EXPENSES):		
Interest on capital related debt	(80,000)	(82,957)
 Increase (decrease) in net position	 (56,772)	 164,723
NET POSITION:		
Net position - beginning of year	1,350,860	1,186,137
Net position - end of year	\$ 1,294,088	\$ 1,350,860

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, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 64,799,890	\$ 64,915,754
Receipts from grants and contracts	21,493,559	17,492,589
Collection of loans to students	1,328	15,345
Other receipts	3,378,204	3,293,513
Payments to or on behalf of employees	(207,734,589)	(204,099,458)
Payments to suppliers for goods and services	(82,670,386)	(83,885,777)
Payments for scholarships and fellowships	(53,517,142)	(57,362,225)
Payment for loans to students	(1,501)	(33,972)
Net cash used by operating activities	<u>(254,250,637)</u>	<u>(259,664,231)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	61,980,971	64,562,890
Receipts from ad valorem taxes	133,007,581	119,815,337
Receipts from non-operating federal and state revenue	83,068,360	87,902,696
Receipts from gifts and grants (other than capital)	1,508,628	206,545
Payments to student organizations and other agency transactions	(1,535)	(32,333)
Payment for Federal loans issued to students	(25,693,914)	(27,700,139)
Receipts from Federal loans for students	<u>25,702,590</u>	<u>27,694,813</u>
Net cash provided by noncapital financing activities	<u>279,572,681</u>	<u>272,449,809</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	81,408,038	-
Bond issuance costs	(680,544)	-
Receipts from ad valorem taxes for debt service	55,316,873	48,011,432
Receipts from capital grant contracts, grants and gifts	1,033,991	1,043,491
Payments for capital assets acquisition and construction of capital assets	(18,348,182)	(14,576,472)
Payments on capital debt - principal	(119,406,539)	(28,927,356)
Payments on capital debt - interest	<u>(23,756,332)</u>	<u>(25,062,718)</u>
Net cash used by capital and related financing activities	<u>(24,432,695)</u>	<u>(19,511,623)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	218,324,378	297,428,314
Interest on investments	1,209,353	643,414
Purchase of investments	<u>(225,521,159)</u>	<u>(297,833,403)</u>
Net cash (used) provided by investing activities	<u>(5,987,428)</u>	<u>238,325</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(5,098,079)</u>	<u>(6,487,720)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>38,727,031</u>	<u>45,214,751</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,628,952</u>	<u>\$ 38,727,031</u>

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, 2016 and 2015
(continued)**

RECONCILIATION OF OPERATING LOSS TO NET CASH	<u>2016</u>	<u>2015</u>
USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (301,582,329)	\$ (303,087,361)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	32,007,639	31,517,072
Donated capital assets	59,252	74,021
Allowance for doubtful accounts	588,631	1,835,765
Non-cash state appropriations - on-behalf payments	15,504,966	12,977,996
Pension expense	157,272	(344,767)
Changes in assets and liabilities:		
Receivables (net)	(4,591,989)	870,956
Other assets	(194,703)	201,137
Accounts payable	1,161,928	(2,500,348)
Unearned income	2,502,240	(1,019,055)
Compensable absences	182,109	25,945
Workers' compensation accrual	-	(213,449)
Utility escrow	(45,480)	16,484
Loans to students	(173)	(18,627)
Net cash used by operating activities	<u>\$ (254,250,637)</u>	<u>\$ (259,664,231)</u>

SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:

State on-behalf payments	<u>\$ 15,504,966</u>	<u>\$ 12,977,996</u>
Increase in fair value of investments	<u>\$ 77,608</u>	<u>\$ 27,834</u>
Gifts of depreciable and non-depreciable assets	<u>\$ 59,252</u>	<u>\$ 74,021</u>
Amortization of premium on bonds	<u>\$ 3,537,230</u>	<u>\$ 1,907,246</u>
Amortization of deferred charges on bond refundings	<u>\$ (63,579)</u>	<u>\$ 348,003</u>
Assets acquired through capital leasing	<u>\$ -</u>	<u>\$ 1,121,217</u>

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

Alamo Colleges Foundation, Inc. – Discrete Component Unit

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

ACCD Public Facility Corporation (PFC) - Discrete Component Unit

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* for fiscal year 2016. For financial reporting purposes, the District is considered a special purpose, primary government engaged in business-type activities.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

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

Accounts and Notes Receivable

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

Other Current Assets

Included in this category are prepaid expenses and inventories.

Investments

Investments are reported at fair value. 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. For the year ended August 31, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This statement requires the District to classify its investments within a fair value hierarchy based on the relative inputs used to value the investments. For more detailed information, see Note 4.

Capital Assets

Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition. Donated capital assets are stated at acquisition value in accordance with GASB 72, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Improvements which significantly add value or extend the useful life of 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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred Outflows of Resources

The Statements of Net Position include a separate section for deferred outflows of resources, which represent a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expensed) until then. The District recorded deferred outflows of resources for deferred charges on refunding of debt resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District recorded deferred outflows of resources for its proportionate share of collective deferred outflows of the Teacher Retirement System of Texas (TRS) pension plan required by the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and for contributions made to the TRS plan subsequent to the measurement date of the respective net pension liability. For additional information, see Note 8 and Note 10.

Pensions

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

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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows of Resources

The Statements of Net Position include a separate section for deferred inflows of resources, which represent an acquisition of net position that applies to future periods and thus, will not be recognized as an inflow of resources (revenue) until then. The District records deferred inflows of resources for deferred charges on refunding of debt resulting from the differences in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District records deferred inflows of resources for its proportionate share of collective deferred inflows of the TRS pension plan. For additional information, see Note 8 and Note 10.

Net Position

Net Investment in Capital Assets

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

Restricted Net Position, Expendable

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

Unrestricted Net Position

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

Operating and Non-operating Revenues

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

Revenue Recognition and Unearned Income

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

Tuition Discounting

Texas Public Education Grants

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

Title IV Higher Education Act (HEA) Program Funds

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

Other Tuition Discounts

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these funds are used

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Operating and Non-operating Expenses

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

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

Restricted Resources

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

Estimates

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

New Pronouncements

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The objectives of this Statement are to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements for assets and liabilities. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2015. The District has implemented this Statement for the fiscal year ended August 31, 2016 to comply with GASB requirements. See Note 4 to these financial statements for further information.

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. The District implemented the provisions of this Statement for the year ended August 31, 2016. For more detailed information, see Note 4.

Pending Pronouncements

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

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

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

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures (GASB 77)*. GASB 77 requires state and local governments for the first time to disclose information about tax abatement agreements. GASB 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. GASB 77 is effective for financial statements for periods beginning after December 15, 2015.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans (GASB 78)*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In January 2016, GASB issued Statement No. 80, *Blending requirements for Certain Component Units-an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

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

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

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 74, 75, 77, 78, 80, 81 and 82 on its future financial statements.

Fiscal Year 2015 Restatement to Beginning Net Position

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

Because audited beginning balances could not be obtained for all of the deferred outflows of resources and deferred inflows of resources related to pensions, the District determined it was impractical to restate 2014 financial statements. As such, the District recorded a restatement to beginning net position in the fiscal year 2015 financial statements as a cumulative effect of a change in accounting principle. Beginning net position as of September 1, 2014 has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71:

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

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, 2016 and 2015 was \$2,912,260 and \$3,039,869, respectively. Total bank balances at August 31, 2016 and 2015 equaled \$4,530,158 and \$3,914,821, respectively. The FDIC insures all bank deposits up to \$250,000. Deposits in excess of \$250,000 are collateralized at a level between 105% and 115% in U.S. Treasuries and Government Securities.

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Bank deposits: Demand deposits	\$ 1,982,916	\$ 2,532,921
Money market	<u>929,344</u>	<u>506,948</u>
Total bank deposits	2,912,260	3,039,869
Local Government Investment Pool (TexPool) deposits	30,679,172	35,649,642
Petty cash on hand	<u>37,520</u>	<u>37,520</u>
Total cash and cash equivalents	<u>\$ 33,628,952</u>	<u>\$ 38,727,031</u>

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2016 and 2015:

Type of Security	Fair Value at August 31,	
	2016	2015
U.S. government securities:		
FHLB coupon notes	\$ 5,002,345	\$ 4,999,820
FNMA coupon notes	17,016,312	4,999,950
FHLMC coupon notes	9,988,645	10,340,291
FFCB coupon notes	30,126,590	20,050,325
U.S. Treasuries	15,020,605	9,991,375
Municipal bonds	11,021,563	-
Commercial paper	28,946,440	59,543,958
Total	<u>\$ 117,122,500</u>	<u>\$ 109,925,719</u>

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statements of Net Position on August 31, 2016 and 2015 is as follows:

	Fair Value August 31,	
	2016	2015
Total cash and cash equivalents	\$ 33,628,952	\$ 38,727,031
Total investments	117,122,500	109,925,719
Total	<u>\$ 150,751,452</u>	<u>\$ 148,652,750</u>
Per Exhibit 1:		
Cash and cash equivalents	\$ 11,512,559	\$ 12,660,033
Restricted cash and cash equivalents - current	22,116,393	26,066,998
Investments - current	48,943,015	69,534,948
Long-term investments - operating	68,179,485	40,390,771
Total	<u>\$ 150,751,452</u>	<u>\$ 148,652,750</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Fair Value Measurements

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

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

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

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

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

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

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

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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

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

The District had the following cash equivalents and investments at August 31, 2016 and 2015:

Type	2016			2015		
	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	\$ 5,002,345	3.4%	1.003	\$ 4,999,820	3.4%	4.888
FNMA	17,016,312	11.5% †	2.484	4,999,950	3.4%	4.255
FHLMC	9,988,645	6.8% †	2.000	10,340,291	7.1% †	1.628
FFCB	30,126,590	20.4% †	1.816	20,050,325	13.8% †	2.419
U.S. Treasuries	15,020,605	10.2% †	1.881	9,991,375	6.9% †	1.764
Municipal bonds	11,021,563	7.5% †	1.906	-	0.0%	
Commercial paper	28,946,440	19.6% †	0.444	59,543,958	40.9% †	0.379
TexPool	30,679,172	20.8% †	0.003	35,649,642	24.5% †	0.003
Total	\$ 147,801,672	100.0%		\$ 145,575,361	100.0%	

Portfolio weighted average maturity at August 31 1.246 1.039

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

† 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, 2016, TexPool was rated AAAM. All other credit standards are governed by the District’s investment policy, which is in compliance with or exceeds state statutes for credit standards. These state standards include: commercial paper rated no less than A-1 or P-1 by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank; obligations of states, agencies, counties, cities and other political subdivisions rated no less than A or its equivalent by a nationally recognized investment rating firm.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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

<u>Issuer</u>	<u>Credit rating</u>
FFCB	AA+ /Aaa /AAA
FHLB	AA+ /Aaa
FHLMC	AA+ /Aaa /AAA
FNMA	AA+ /Aaa /AAA
J.P. Morgan Securities	A1/P1/F1+
Kaiser Foundation Hospital	A1+/F1
Nestle Finance Intl Ltd	A1+/P1/F1+
Salvation Army	A1+/P1
Toyota Mtr Cr	A1+/P1
Univ of Houston	AA/Aa2
Univ of North TX	Aa2/AA
U.S. Treasury	AA+ /Aaa /AAA
TexPool	AAAm

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. CAPITAL ASSETS

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. CAPITAL ASSETS (continued)

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

6. NONCURRENT LIABILITIES

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

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

7. DEBT AND LEASE OBLIGATIONS

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

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

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

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

Rental payments of \$1,204,000 and \$1,275,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2016 and 2015, respectively. The terms of the rental agreements are less than or equal to one year.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

8. BONDS AND TAX NOTES PAYABLE

Bonds and tax notes payable for the years ended August 31, 2016 and 2015 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	Balance August 31, 2016	Balance August 31, 2015
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		\$ -	\$ 38,180,000
2006A	Construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006.	49,580,000		-	45,020,000
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	271,085,000	4.5% - 5.0%	167,170,000	173,420,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.5% - 5.0%	32,820,000	34,140,000
2012	Refund certain of the outstanding Limited Tax Bonds Series 2007 and 2007A. Issued July 12, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000
2016	Refund the outstanding Limited Tax Bond Series 2006 and 2006A. Issued June 22, 2016.	72,065,000	3.0% - 5.0%	72,065,000	-
Subtotal - General Obligation Bonds				\$ 346,165,000	\$ 364,870,000
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%	\$ 8,960,000	\$ 20,480,000
2007	Purchase equipment, vehicles and renovate various facilities. Issued September 18, 2007.	81,110,000		-	2,785,000
2011	Renovate and repair existing facilities. Issued August 5, 2011.	54,795,000	3.75% - 5.0%	35,080,000	39,325,000
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Issued February, 27 2014.	40,665,000	4.0% - 5.5%	32,720,000	36,770,000
Subtotal - Maintenance Tax Notes				\$ 76,760,000	\$ 99,360,000
Revenue Financing System (Repayment source - Pledged revenue*)					
2012A	Refund certain of the outstanding Combined Fee Revenue bonds and to construct a parking facility. Issued March 22, 2012.	\$ 55,800,000	2.0% - 5.25%	\$ 54,575,000	\$ 54,995,000
2012B	Refund remainder of the outstanding Combined Fee Revenue bonds (taxable issue). Issued March 22, 2012.	22,295,000	1.538% - 1.844%	4,680,000	8,980,000
Subtotal - Revenue Financing System Bonds				\$ 59,255,000	\$ 63,975,000
Total Bonds				\$ 482,180,000	\$ 528,205,000
*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 \$333,043 to \$19,903,500 with interest rates from 1.538% to 5.5%, with the final installment due in fiscal year 2037.

In February 2016, the District cash defeased the then-outstanding Alamo Community College District Maintenance Tax Notes, Series 2007 in the amount of \$2,785,000. At the same time, the District cash defeased a portion of the then-outstanding Alamo Community College District Maintenance Tax Notes 2006 in the amount of \$10,060,000. The purpose of the defeasances was to reduce the outstanding debt service payments and obtain economic benefits. The net present value savings were \$5,317,688.

In June 2016, The District issued \$72,065,000 Series 2016 Limited Tax Refunding Bonds. The proceeds from the bonds were used to refund the then-outstanding Series 2006 and Series 2006A Limited Tax Bonds. The refunding bonds were issued at an average interest cost of 2.815%, and the average coupon was 4.33%. The District contributed \$1,916,167 of cash to the transaction. Total cost of issuance, including underwriter's discount, was \$680,544. The proceeds of \$81,026,054 which included a premium of \$9,343,038, plus the District's contribution, were used to purchase U.S.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

8. BONDS AND TAX NOTES PAYABLE (continued)

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 July and August 2016. The refunding resulted in an accounting loss on refunding of \$416,598, which will be amortized over the life of the bonds. The refunding produced a net present value economic gain of \$14,342,316 (the difference between the present value of the debt service payments on the old and new debt). The refunding bonds pay interest February 15 and August 15 of each year and are scheduled to mature in FY 2036. The bonds will be repaid from ad valorem taxes.

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

9. DEFEASED BONDS OUTSTANDING

As of August 31, 2016, the District had the following defeased bonds outstanding:

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>	
		<u>2016</u>	<u>2015</u>
Combined Fee Revenue 2005*	2012	\$ -	\$ 885,000
Combined Fee Revenue 2007	2012	20,415,000	22,190,000
Combined Fee Revenue 2007A	2012	3,890,000	4,050,000
		<u>\$ 24,305,000</u>	<u>\$ 27,125,000</u>

*Combined Fee Revenue 2005 called November 15, 2015.

10. EMPLOYEES' RETIREMENT PLANS

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

Teacher Retirement System of Texas

Plan Description: The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the TRS. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

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

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

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

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

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

	<u>Contribution Rates</u>	
	2015	2016
Member	6.7%	7.2%
District/Non-employer contributing entity (State)	6.8%	6.8%
District contributions (audited)	\$ 4,824,042	
State of Texas on-behalf contributions (unaudited)	\$ 2,670,812	

The District's contributions to the TRS pension plan in 2016 were \$5,056,151 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2016 were \$2,851,352.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

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

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

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

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

Actuarial Assumptions: The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2015
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long-term expected investment rate of return*	8.00%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

*Includes inflation rate of 2.5%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3.0% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability.

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2015 are summarized below:

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

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

Source: Teacher Retirement System of Texas 2015 Comprehensive Annual Financial Report

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

Discount Rate Sensitivity Analysis: The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 90,231,095	\$ 57,588,991	\$ 30,400,147

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2016, the District reported a liability of \$57,588,991 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 57,588,991
State's proportionate share that is associated with District	31,874,468
Total	\$ 89,463,459

The net pension liability was measured as of August 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 thru August 31, 2015.

At the measurement date of August 31, 2015 the District's proportion of the collective net pension liability was 0.1629170%, which was a decrease of 0.0184891% from its proportion measured as of August 31, 2014.

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

For the year ended August 31, 2016, the District recognized pension expense of \$4,541,599 and revenue of \$4,541,599 for support provided by the State.

At August 31, 2016, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 623,242	\$ 2,213,196
Changes in actuarial assumptions	2,619,500	2,054,523
Net difference between projected and actual investment earnings	3,075,269	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	-	4,230,895
Contributions paid to TRS subsequent to the measurement date	5,056,151	-
Total	\$ 11,374,162	\$ 8,498,614

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

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

<u>Year ended August 31,</u>	<u>Pension Expense Amount</u>
2017	\$ (940,323)
2018	(940,323)
2019	(940,323)
2020	2,762,216
2021	(822,450)
Thereafter	(1,299,398)

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. Senate Bill 1812, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

Total payroll for the District and for employees under each retirement plan, retirement expense for the State and the District, and contribution rates mandated by the State for the years ended August 31, 2016, 2015 and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Payroll - all District employees	\$ 171,757,438	\$ 167,878,100	\$ 164,607,856
Payroll - TRS participants	116,013,872	109,267,415	101,833,288
Payroll - ORP participants	32,747,377	34,293,727	37,887,806
 Total required annual contributions:			
State on-behalf contributions	\$ 5,560,000	\$ 3,440,000	\$ 3,640,000
District contributions	6,380,000	5,780,000	5,720,000
 District/State contribution percentages - TRS			
	6.80%	6.80%	6.80%
Participant contribution percentages - TRS			
	7.20%	6.70%	6.40%
 District/State contribution percentages - ORP			
	6.80%	6.80%	6.80%
Participant contribution percentages - ORP			
	6.65%	6.65%	6.65%

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

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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. DEFERRED COMPENSATION PROGRAM (continued)

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

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

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

12. COMPENSABLE ABSENCES

The District's full-time employees earn 8 hours of sick leave per month. Administrators earn 14 hours of annual leave per month and other full-time employees earn from 6.66 to 12 hours of annual leave per month depending on their length of employment with the District. Sick leave balances may accumulate with no maximum and are forfeited at the time of separation.

Employees who successfully complete the ninety-day initial employment period and terminate their employment are entitled to payment for accumulated annual leave up to the maximum allowed. The District's policy is that an employee may carry accrued annual leave forward from one fiscal year to another with a maximum of 288 hours for employees with 16 years or more of service and 336 hours for administrators.

The District recognizes the accrued liability for annual leave as a liability in the Statements of Net Position (see Note 6). The current portion of the annual leave liability is that which is projected to be paid during the next fiscal year and is based on a five-year average. The total accrued at August 31, 2016 and 2015 for annual leave was approximately \$5,900,000 and \$5,700,000, respectively.

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2016 and 2015 were as follows:

	2016	2015
Tuition and fees receivable	\$ 11,042,490	\$ 10,331,692
Taxes receivable	6,576,287	6,331,533
Contracts and grants receivable	8,706,991	4,266,592
Interest receivable	316,035	110,337
Other receivables	2,434,609	2,431,130
Subtotal	29,076,412	23,471,284
Less allowance for doubtful accounts:		
Tuition and fees receivable	9,162,730	9,035,666
Taxes receivable	5,182,921	4,866,633
Other receivables	256,293	346,398
Net accounts receivable	\$ 14,474,468	\$ 9,222,587

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES (continued)

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

Accounts payable and accrued liabilities at August 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Accounts payable to vendors	\$ 6,407,420	\$ 5,816,060
Accrued liabilities:		
Salaries and benefits	6,799,735	6,236,274
Construction retainage	951,392	599,433
Bond interest	1,624,535	1,708,945
Workers' compensation claims	458,178	458,178
Other	<u>267,966</u>	<u>313,446</u>
Total accounts payable and accrued liabilities	<u>\$ 16,509,226</u>	<u>\$ 15,132,336</u>

14. FUNDS HELD FOR OTHERS

The District holds unapplied Federal Direct Loan Program funds, funds for certain students as well as student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of \$660,671 as of August 31, 2016 and \$662,206 as of August 31, 2015.

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, 2016 and 2015 for which no expenses have been incurred, totaled approximately \$34,500,000 and \$34,700,000, respectively.

16. SELF-INSURED AND RISK MANAGEMENT PLANS

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

The District's Workers' Compensation Self-Insurance Fund (the Fund) is administered by a third party. Through the Fund, the District self-insures workers' compensation claims up to \$400,000 per occurrence. Individual losses of over \$400,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, approximately \$3,208,000 of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

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

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately \$458,000 and \$458,000 at August 31, 2016 and 2015, 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, 2016 and 2015 respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2016	\$ 458,178	\$ 914,142	\$ (914,142)	\$ 458,178
2015	671,627	956,375	(1,169,824)	458,178

17. HEALTH CARE AND LIFE INSURANCE BENEFITS

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

The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per eligible full-time employee or retiree was between approximately \$577 and \$1,128 per month for the year ended August 31, 2016 and between approximately \$472 and \$1,566 per month for the year ended August 31, 2015. 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	2016	2015
Number of Retirees	1,079	1,047
Cost of Health Benefits for Retirees	\$ 7,560,609	\$ 6,873,367
Number of Active Full Time Employees	2,451	2,368
Cost of Health Benefits for Active Full Time Employees	\$ 18,531,098	\$ 16,778,721
State Appropriation for Health Insurance	\$ 10,963,367	\$ 10,664,650
District's Expense for Health Insurance	\$ 15,128,340	\$ 12,987,438

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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

17. HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

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

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

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Beginning September 1, 2013, SB 1812 limited the State's contribution to 50% of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2016, 2015, and 2014 were \$4,027,414, \$3,624,842, and \$3,162,582, respectively, which equaled the required contributions each year.

18. AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business property located in Bexar County. General information follows for the years ended August 31, 2016 and 2015.

	2016 ⁽¹⁾	2015 ⁽²⁾
Assessed valuation of the District	\$ 142,067,628,821	\$ 126,334,172,615
Less : Exemptions	(12,277,254,224)	(11,432,857,776)
Tax increment financings	(170,310,586)	(198,188,541)
Net assessed valuation of the District	\$ 129,620,064,011	\$ 114,703,126,298

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

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

The authorized and assessed property tax rates for the years ended August 31, 2016 and 2015 are as follows:

	2016			2015		
	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	\$ 0.10530000	\$ 0.04385000	\$ 0.14915000	\$ 0.10640000	\$ 0.04275000	\$ 0.14915000

Taxes levied for the years ended August 31, 2016 and 2015 were approximately \$189,391,000 and \$168,692,000, respectively. State law automatically places a tax lien on all taxable property on January 1 of each year to secure payment. Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed, and are subject to penalties and interest.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

18. AD VALOREM TAX (continued)

The tax collection detail at August 31, 2016 and 2015 is as follows:

	2016			2015		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 131,083,512	\$ 54,630,849	\$ 185,714,361	\$ 117,851,311	\$ 47,354,089	\$ 165,205,400
Tax increment financings payment	(206,203)	-	(206,203)	(206,158)	-	(206,158)
Delinquent taxes collected	803,572	343,432	1,147,004	859,964	343,349	1,203,313
Penalties and interest	1,326,700	342,592	1,669,292	1,289,725	334,489	1,624,214
Total	\$ 133,007,581	\$ 55,316,873	\$ 188,324,454	\$ 119,794,842	\$ 48,031,927	\$ 167,826,769

Tax collections for the years ended August 31, 2016 and 2015 were 98.82% and 98.83%, 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, 2016 or 2015.

20. OTHER OPERATING REVENUES

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

21. COMMITMENTS AND CONTINGENCIES

As of August 31, 2016, 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, 2016 and 2015, the District was committed for approximately \$12,171,000 and \$11,765,000, respectively.

22. SUBSEQUENT EVENTS

In July 2015, the Board of Trustees approved a funding in the amount of up to \$55,000,000 in Revenue bond debt to construct a consolidated District Support Operations building. It is anticipated that these bonds will be sold in the first calendar quarter of 2017.

In August 2016, the Board of Trustees approved a cash defeasance of certain bonds in the Maintenance Tax Notes Series 2006 to reduce debt service and obtain present value savings. The total amount of bonds to be defeased are \$7,440,000; the expected date of defeasance is February 15, 2017.

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

The following footnotes are from the audited financial statements of the Alamo Colleges Foundation, Inc. (Foundation) for the years ended December 31, 2015 and 2014:

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

A – ORGANIZATION

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

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

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the Foundation is required to present a statement of cash flows in its separately issued financial statements.

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Estimates that have the most impact on financial position and results of operations primarily relate to the collectability and present value of contributions receivables, the fair value of investments, and the allocation of expenses among functional areas. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Cash and cash equivalents

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

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities as changes in temporarily restricted net position, unless restricted by donor or law. Donated marketable securities are recorded as contributions at their estimated fair value at the date of the donation.

The investments of the Foundation are managed under agreement with the Bank of America Merrill Lynch in a manner consistent with the investment goals and policies established by the Board of Trustees of the Foundation.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the laws of the State of Texas, the Board of Trustees may appropriate for expense, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Trustees determines the amount of such appropriation annually. The aggregate accumulated unallocated gains and losses on donor-restricted endowment net position balances is included in temporarily restricted net position in the financial statements.

Contributions receivable

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

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

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

Capital assets

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

Presentation of expenses

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

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

Income taxes

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

which is not a private foundation under Section 509(a) of the Code. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation's federal tax fillings prior to 2013 are no longer subject to examination by federal taxing authorities.

Donated materials, services, and facilities

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

Revenue recognition

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

C - INVESTMENTS

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

Type of Security	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Fixed income securities	\$ 3,194,836	\$ 3,176,983	\$ 1,760,233	\$ 1,794,634
Mutual funds	4,460,377	4,187,152	5,566,427	5,400,706
Marketable securities	8,868,389	9,852,381	7,529,012	8,935,799
Total	<u>\$ 16,523,602</u>	<u>\$ 17,216,516</u>	<u>\$ 14,855,672</u>	<u>\$ 16,131,139</u>

Net investment income is comprised of the following:

	2015	2014
Interest and dividend income	\$ 233,723	\$ 263,410
(Loss) gain on investments	(510,554)	233,388
Total	<u>\$ (276,831)</u>	<u>\$ 496,798</u>

The Foundation elects to net investment expenses with earnings from investments. Total investment expenses in 2015 and 2014 were \$155,791 and \$143,806 respectively.

D – FUNCTIONAL EXPENSES

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

D – FUNCTIONAL EXPENSES (continued)

Functional expenses categorized by program, general and administrative, and fundraising costs for the years ended December 31, 2015 and 2014 are as follows:

	Program	General and Administrative	Fundraising	Total
Year ended December 31, 2015:				
Scholarships and educational support	\$ 3,510,106	\$ -	\$ -	\$ 3,510,106
Salaries and benefits	74,451	166,522	112,028	353,001
Office and administrative	1,884	5,785	2,588	10,257
Rent	-	61,612	-	61,612
Professional services	-	96,719	-	96,719
Professional development, fees and subscriptions	2,438	7,629	3,487	13,554
Software acquisition, maintenance and support	49	109	73	231
Other	3,759	24,886	15,585	44,230
Total	<u>\$ 3,592,687</u>	<u>\$ 363,262</u>	<u>\$ 133,761</u>	<u>\$ 4,089,710</u>
Year ended December 31, 2014:				
Scholarships and educational support	\$ 3,164,909	\$ -	\$ -	\$ 3,164,909
Salaries and benefits	79,095	221,643	151,028	451,766
Office and administrative	6,160	17,261	12,106	35,527
Rent	-	7,177	-	7,177
Professional services	5,402	27,859	13,433	46,694
Professional development, fees and subscriptions	1,439	4,032	4,576	10,047
Software acquisition, maintenance and support	1,868	5,233	3,566	10,667
Other	1,284	19,361	12,689	33,334
Total	<u>\$ 3,260,157</u>	<u>\$ 302,566</u>	<u>\$ 197,398</u>	<u>\$ 3,760,121</u>

E – ENDOWMENT NET POSITION

The Foundation's endowment consists of 158 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net position associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E – ENDOWMENT NET POSITION (continued)

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

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

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

Endowment net position and classifications of related unappropriated income at December 31, 2015 and 2014:

	Temporarily Restricted	Permanently Restricted	Total
As of December 31, 2015			
Endowment funds	\$ 2,190,336	\$ 13,846,843	\$ 16,037,179
As of December 31, 2014			
Endowment funds	\$ 3,211,071	\$ 13,373,807	\$ 16,584,878

The changes in endowment net position and related income classification for the year ended December 31, 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning of the year	\$ 3,211,071	\$ 13,373,807	\$ 16,584,878
Contributions:	-	232,660	232,660
Investment return:			
Interest and dividends	233,723	-	233,723
Gain/loss on investments	(510,554)	-	(510,554)
Total revenues	(276,831)	232,660	(44,171)
Designated transfer	(243,478)	240,376	(3,102)
Deductions:			
Net position released from restrictions	(500,426)	-	(500,426)
(Decrease) increase in net position	(1,020,735)	473,036	(547,699)
End of year	\$ 2,190,336	\$ 13,846,843	\$ 16,037,179

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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E – ENDOWMENT NET POSITION (continued)

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 expense, 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 2015 was 4.25%. The rate for 2016 has been set at 4.25%.

F – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of all applicable asset and liability financial instruments reported in the statements of assets, liabilities and net position approximate their fair values at December 31, 2015 and 2014. 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).

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

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

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

The fair value hierarchy of investments at December 31, 2015 follows:

	2015			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 3,176,983	\$ -	\$ 3,176,983
Mutual funds	4,187,152	-	-	4,187,152
Marketable securities	9,852,381	-	-	9,852,381
Total	\$ 14,039,533	\$ 3,176,983	\$ -	\$ 17,216,516

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

G – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTION

By agreement, the Alamo Colleges provide administrative support for the Foundation activities at a level determined by the Alamo Colleges to be appropriate, but only to the extent of availability of funds within the Alamo Colleges' budget. Administrative support provided includes office space for an executive director and staff for the Foundation. The total support provided by the Alamo Colleges to the Foundation in the fiscal years ended December 31, 2015 and 2014 was valued at approximately \$453,160 and \$551,206, 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, 2015 and 2014, the Foundation remitted the total of \$1,537,423 and \$2,346,294 to the Alamo Colleges to fund approximately 2,100 and 1,900 scholarships respectively. In addition, for the years ended December 31, 2015 and 2014, the Foundation remitted \$1,134,007 and \$1,527,218, respectively, to Alamo Colleges for program related costs.

The total scholarship funds due from the Foundation to the Alamo Colleges at December 31, 2015 and 2014 was \$37,372 and \$32,940, respectively. These amounts have been included in the due to affiliate balances in the accompanying financial statements.

H – FUTURE COMMITMENTS

At December 31, 2015, outstanding donor match commitments for the next five years and thereafter are as follows:

Year ended December 31,	
2016	25,000
2017	25,000
2018	25,000
2019	25,000
2020	25,000
Thereafter	<u>25,000</u>
Total	<u>\$ 150,000</u>

I - COMMITMENTS

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

J – RESTRICTED TITLE V FUNDS

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

K – UNRESTRICTED NET POSITION

Unrestricted net position is comprised of net position that is not subject to donor-imposed stipulations. The balances comprising unrestricted net position as of December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Undesignated/unrestricted net position	<u>\$ 103,233</u>	<u>\$ 128,339</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

L – SUBSEQUENT EVENTS

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

24. ACCD PUBLIC FACILITY CORPORATION - DISCRETE COMPONENT UNIT

The following footnotes are from the ACCD Public Facility Corporation's (PFC) financial statements for the years ended August 31, 2016 and 2015:

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

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Cash

Cash consists solely of demand deposits held at a bank fully insured by the Federal Deposit Insurance Corporation (FDIC). At August 31, 2016 and 2015, the PFC had -\$0- in excess of the FDIC insurance limit.

Capital Assets

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

Operating and Non-operating Revenues

Operating revenues generally result from providing services in connection with the PFC's principal ongoing operations. The principal operating revenues are from lease payments and development fees collected. The PFC did not have any non-operating revenues for the years ended August 31, 2016 and 2015.

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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating and Non-operating Expenses

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

C - CAPITAL ASSETS

Capital assets consist of land and therefore no depreciation is required. Activity for the years ended August 31, 2016 and 2015 was as follows:

	Balance 9/1/14	Increases	Decreases	Balance 8/31/15	Increases	Decreases	Balance 8/31/16
Land	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847

D – NONCURRENT LIABILITIES

Noncurrent liabilities consist of a note payable and related interest to the 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 \$326,667 and \$246,667 at August 31, 2016 and 2015, respectively, payable at maturity.

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

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E - INCOME TAXES

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

F - RELATED PARTIES

In July of 2012, Tobin Lofts, LLC (LLC) was created to carry out the purposes of its initial sole member, ACCD Public Facility Corporation, which includes providing housing for college students and employees of the Alamo Colleges. The LLC leases land from the PFC under a 75-year ground lease, classified as an operating lease, and operates residential housing and retail facilities on the land. In August 2012, the LLC prepaid its ground lease in the amount of \$1.8 million, and the PFC recognizes lease revenue on a monthly basis over the life of the lease. The PFC recognized \$24,000 for each year ended August 31, 2016 and 2015. The PFC may receive distributions in the future from the LLC under limited contractual conditions. At the end of the 75-year lease, title to the tenant improvements will pass to the PFC.

Required Supplementary Information



ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal year ending August 31*,	2016	2015
District's proportionate share of collective net pension liability (%)	0.1629170%	0.1814061%
District's proportionate share of collective net pension liability (\$)	\$ 57,588,991	\$ 48,456,078
State's proportionate share of net pension liability associated with District	31,874,468	25,023,180
Total	89,463,459	73,479,258
District's covered-employee payroll	\$ 109,267,415	\$ 101,833,288
District's proportionate share of collective net pension liability as a percentage of covered-employee payroll	52.70%	47.58%
Plan fiduciary net position as percentage of the total pension liability	78.43%	83.25%

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule of District Contributions
Last Two Fiscal Years****

Fiscal year ending August 31*,	2016	2015
Legally required contributions	\$ 5,056,151	\$ 4,823,677
Actual contributions	5,056,151	4,823,677
Contributions deficiency (excess)	-	-
District's covered-employee payroll amount	\$ 116,013,872	\$ 109,267,415
Contributions as a percentage of covered-employee payroll	4.36%	4.41%

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Required Supplementary Information For the Year Ended August 31, 2016

Changes to Actuarial Assumptions Since Prior Actuarial Valuation

Post-retirement mortality tables for retirees were updated to reflect recent TRS member experience. This change was deemed to have a significant impact on the measurement of the pension liability.

Changes to Economic Assumptions

The general wage inflation assumption was decreased from 3.0% to 2.5%

Other Changes to Assumptions

Other changes to actuarial, economic, mortality and demographic assumptions were deemed to have a less significant impact on the measurement of the pension liability. Additional actuarial assumption changes are described in TRS's Comprehensive Annual Financial Report for the year ended August 31, 2015, which can be accessed at <https://www.trs.texas.gov/TRS%20Documents/cafr.pdf>.



ALAMO
COLLEGES

Supplementary Information



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ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY16 Total	FY15 Total
OPERATING REVENUES:						
Tuition						
State funded courses						
In District resident tuition	\$ 73,854,513	\$ -	\$ 73,854,513	\$ -	\$ 73,854,513	\$ 71,424,115
Out of District resident tuition	23,991,048	-	23,991,048	-	23,991,048	22,018,240
Non-resident tuition	8,430,637	-	8,430,637	-	8,430,637	6,913,337
TPEG - credit set aside*	4,575,643	-	4,575,643	-	4,575,643	5,609,956
State-funded continuing education	847,299	-	847,299	-	847,299	1,806,092
TPEG - Non-credit set aside*	13,814	-	13,814	-	13,814	546,015
Non-State funded continuing education	2,608,947	-	2,608,947	-	2,608,947	4,184,325
Total tuition	114,321,901	-	114,321,901	-	114,321,901	112,502,080
Fees						
Other	5,506,885	-	5,506,885	-	5,506,885	5,673,585
Total fees	5,506,885	-	5,506,885	-	5,506,885	5,673,585
Total tuition and fees	119,828,786	-	119,828,786	-	119,828,786	118,175,665
Allowances and discounts						
Institutional allowances and scholarships	(812,925)	-	(812,925)	-	(812,925)	(2,427,987)
Remissions and exemptions - state	(4,668,470)	-	(4,668,470)	-	(4,668,470)	(4,380,971)
Remissions and exemptions - local - dual credit	(18,812,787)	-	(18,812,787)	-	(18,812,787)	(14,708,705)
Federal grants to students	-	(31,559,436)	(31,559,436)	-	(31,559,436)	(31,958,366)
TPEG awards	-	(1,963,427)	(1,963,427)	-	(1,963,427)	(2,074,635)
State grants to students	-	(1,718,967)	(1,718,967)	-	(1,718,967)	(2,045,227)
Other local awards	(534,528)	(2,302,287)	(2,836,815)	-	(2,836,815)	(2,390,091)
Total allowances and discounts	(24,828,710)	(37,544,117)	(62,372,827)	-	(62,372,827)	(59,985,982)
Total net tuition and fees	95,000,076	(37,544,117)	57,455,959	-	57,455,959	58,189,683
Other operating revenues						
Federal grants and contracts	416,392	19,952,515	20,368,907	-	20,368,907	11,778,488
State grants and contracts	-	1,920,275	1,920,275	-	1,920,275	3,947,810
Local grants and contracts	978,375	966,732	1,945,107	-	1,945,107	1,296,948
Non-governmental grants and contracts	-	585,483	585,483	-	585,483	412,843
Other operating revenues	3,514,412	1,456	3,515,868	-	3,515,868	3,404,657
Total other operating revenues	4,909,179	23,426,461	28,335,640	-	28,335,640	20,840,746
Sales and services of auxiliary enterprises						
Bookstore commission	-	-	-	920,755	920,755	1,021,800
Palo Alto College natatorium	-	-	-	565,063	565,063	445,710
Day care centers	-	-	-	633,208	633,208	711,002
Vending machines/copiers	-	-	-	388,092	388,092	329,765
Parking access and fines	-	-	-	2,288,316	2,288,316	2,172,557
Other	-	-	-	332,450	332,450	247,679
Total sales and services of auxiliary enterprises	-	-	-	5,127,884	5,127,884	4,928,513
Total operating revenues	\$ 99,909,255	\$ (14,117,656)	\$ 85,791,599	\$ 5,127,884	\$ 90,919,483	\$ 83,958,942
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$4,589,457 and \$6,155,971 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2016 and 2015, respectively.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	Operating Expenses				FY16 Total	FY15 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 82,200,423	\$ -	\$ 15,306,989	\$ 13,292,722	\$ 110,800,134	\$ 112,290,238
Public service	470,796	-	92,880	199,902	763,578	1,260,407
Academic support	13,359,718	-	2,868,126	4,962,391	21,190,235	21,592,356
Student services	26,167,841	-	5,857,168	7,766,817	39,791,826	37,899,034
Institutional support	35,559,498	-	6,952,639	19,265,017	61,777,154	59,210,302
Operation and maintenance of plant	6,272,985	-	2,995,067	28,921,722	38,189,774	36,124,061
Scholarships and fellowships	-	-	-	351,557	351,557	253,730
Total unrestricted educational activities	164,031,261	-	34,072,869	74,760,128	272,864,258	268,630,128
Restricted - educational activities						
Instruction	2,645,557	7,170,357	624,962	4,305,111	14,745,987	13,437,872
Public service	-	42,634	-	49,598	92,232	55,752
Academic support	1,131,433	1,483,421	229,710	811,537	3,656,101	3,518,020
Student services	2,025,710	2,959,579	196,127	733,390	5,914,806	5,071,887
Institutional support	1,180,003	4,866,252	282,422	1,865,933	8,194,610	5,984,364
Operation and maintenance of plant	-	-	-	103,963	103,963	357
Scholarships and fellowships	-	-	-	53,165,585	53,165,585	57,108,495
Total restricted educational activities	6,982,703	16,522,243	1,333,221	61,035,117	85,873,284	85,176,747
Total educational activities	171,013,964	16,522,243	35,406,090	135,795,245	358,737,542	353,806,875
Auxiliary enterprises - unrestricted	743,473	-	262,637	427,249	1,433,359	1,649,806
Auxiliary enterprises - restricted	-	-	-	323,272	323,272	72,550
Depreciation expense - buildings	-	-	-	28,439,888	28,439,888	27,782,569
Depreciation expense - equipment	-	-	-	3,567,751	3,567,751	3,734,503
Total operating expenses	\$ 171,757,437	\$ 16,522,243	\$ 35,668,727	\$ 168,553,405	\$ 392,501,812	\$ 387,046,303
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY16 Total	FY15 Total
NON-OPERATING REVENUES:						
State appropriations						
Education and general state support	\$ 59,833,294	\$ 1,130,400	\$ 60,963,694	\$ -	\$ 60,963,694	\$ 63,440,459
State group insurance	-	10,963,367	10,963,367	-	10,963,367	10,664,650
State retirement match	-	5,558,876	5,558,876	-	5,558,876	3,435,777
Ad valorem taxes						
Taxes for maintenance and operations	132,979,101	-	132,979,101	-	132,979,101	119,772,762
Taxes for maintenance and operations-MTN	26,877,429	-	26,877,429	-	26,877,429	19,117,242
Taxes for debt service	-	28,396,390	28,396,390	-	28,396,390	28,916,338
Federal revenue, non-operating	-	79,919,261	79,919,261	-	79,919,261	82,691,427
State revenue, non-operating	-	4,271,961	4,271,961	-	4,271,961	7,062,622
Gifts	11,752	2,590,119	2,601,871	-	2,601,871	1,341,557
Investment income	1,141,679	26,705	1,168,384	-	1,168,384	774,618
Total non-operating revenues	<u>220,843,255</u>	<u>132,857,079</u>	<u>353,700,334</u>	<u>-</u>	<u>353,700,334</u>	<u>337,217,452</u>
NON-OPERATING EXPENSES:						
Interest on capital related debt	-	(15,793,684)	(15,793,684)	-	(15,793,684)	(18,560,788)
Interest on capital related debt-MTN	(4,277,429)	-	(4,277,429)	-	(4,277,429)	(4,807,242)
Loss on disposal of capital assets	-	(44,468)	(44,468)	-	(44,468)	(67,749)
Other non-operating expenses	-	(6,370,175)	(6,370,175)	-	(6,370,175)	(2,215,836)
Total non-operating expenses	<u>(4,277,429)</u>	<u>(22,208,327)</u>	<u>(26,485,756)</u>	<u>-</u>	<u>(26,485,756)</u>	<u>(25,651,615)</u>
 Net non-operating revenues	 <u>\$ 216,565,826</u>	 <u>\$ 110,648,752</u>	 <u>\$ 327,214,578</u>	 <u>\$ -</u>	 <u>\$ 327,214,578</u>	 <u>\$ 311,565,837</u>
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2016
With Memorandum Totals for the Year Ended August 31, 2015**

	Detail by Source				Total	Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt		Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 11,136,042	\$ -	\$ -	\$ -	\$ 11,136,042	\$ 11,136,042	\$ -
Board-designated	3,208,250	-	-	-	3,208,250	-	3,208,250
Restricted	-	10,156,965	-	-	10,156,965	-	10,156,965
Auxiliary enterprises	5,897,271	-	-	-	5,897,271	5,897,271	-
Loan	203,398	-	-	-	203,398	-	203,398
Plant:							
Unexpended	7,796,121	-	-	-	7,796,121	-	7,796,121
Renewals	1,605,515	-	-	-	1,605,515	-	1,605,515
Debt service	-	14,434,244	-	-	14,434,244	-	14,434,244
Net investment in capital assets	-	-	-	210,275,160	210,275,160	-	210,275,160
Total net position, August 31, 2016	29,846,597	24,591,209	-	210,275,160	264,712,966 (Exhibit 1)	17,033,313	247,679,653
Total net position, August 31, 2015	26,030,109	24,240,699	-	188,809,909	239,080,717 (Exhibit 1)	12,805,522	226,275,195
Net increase in net position	\$ 3,816,488	\$ 350,510	\$ -	\$ 21,465,251	\$ 25,632,249 (Exhibit 2)	\$ 4,227,791	\$ 21,404,458

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2016**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF EDUCATION					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 1,118,427	\$ -	\$ 1,118,427	\$ - *
Federal Work-Study Program	84.033	1,090,488	-	1,090,488	- *
Federal Pell Grant Program	84.063	77,677,891	-	77,677,891	- *
Federal Direct Student Loans	84.268	25,693,914	-	25,693,914	- *
Total Student Financial Assistance Cluster		105,580,720	-	105,580,720	-
TRIO Cluster					
TRIO_Student Support Services	84.042	601,333	-	601,333	-
TRIO_Upward Bound	84.047	1,015,153	-	1,015,153	-
Total TRIO Cluster		1,616,486	-	1,616,486	-
Adult Education - Basic Grants to States					
84.002		-	-	-	-
Texas Workforce Commission					
2015AEL000		-	328,125	328,125	99,736 *
2016AEL000		-	245,701	245,701	- *
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo					
N/A		-	19,218	19,218	- *
College of the Mainland					
N/A		-	104,661	104,661	- *
Education Service Center Region 20					
N/A		-	326,059	326,059	- *
Houston Community College					
1617 HCC Alamo CPEA		-	12,300	12,300	- *
Texas A&M University					
02-S140282		-	10,816	10,816	- *
Total	84.002	-	1,046,880	1,046,880	99,736
Higher Education_Institutional Aid					
84.031		11,404,656	-	11,404,656	1,000,335
Our Lady of the Lake University					
EXITOS		-	345,133	345,133	-
Total	84.031	11,404,656	345,133	11,749,789	1,000,335
Career and Technical Education -- Basic Grants to States					
84.048		-	-	-	-
Texas Higher Education Coordinating Board					
13528		-	(342)	(342)	- *
13536		-	(12,162)	(12,162)	- *
14860		-	1,097,751	1,097,751	- *
Austin Community College					
N/A		-	4,644	4,644	- *
Total	84.048	-	1,089,891	1,089,891	-
Fund for the Improvement of Postsecondary Education					
84.116		43,541	-	43,541	-
Minority Science and Engineering Improvement					
84.120		2,730	-	2,730	-
Texas State University					
15008-82244-1		-	16,999	16,999	-
Total	84.120	2,730	16,999	19,729	-
Child Care Access Means Parents in School					
84.335		328,263	-	328,263	-
TOTAL U.S. DEPARTMENT OF EDUCATION		118,976,396	2,498,903	121,475,299	1,100,071

*Major program

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2016**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF AGRICULTURE					
Hispanic Serving Institutions Education Grants	10.223	\$ -	\$ -	\$ -	\$ -
Texas State University					
8000001640.3		-	72,782	72,782	-
8000001640.2		-	24,000	24,000	-
Total	10.223	-	96,782	96,782	-
Child and Adult Care Food Program	10.558	-	-	-	-
Texas Department of Agriculture					
75N8022		-	35,423	35,423	-
Total	10.558	-	35,423	35,423	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE		-	132,205	132,205	-
U.S. DEPARTMENT OF DEFENSE					
GenCyber Grants Program	12.903	9,559	-	9,559	-
TOTAL U.S. DEPARTMENT OF DEFENSE		9,559	-	9,559	-
U.S. DEPARTMENT OF LABOR					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	-	-	-	-
Texas Workforce Commission					
2015WPB001		-	380,528	380,528	359,600
Total	17.207	-	380,528	380,528	359,600
Total Employment Service Cluster		-	380,528	380,528	359,600
WIA/WIOA Cluster					
WIA/WIOA Adult Program	17.258	-	-	-	-
Texas Workforce Commission					
2015AEL000		-	271,416	271,416	-
Total	17.258	-	271,416	271,416	-
WIA/WIOA Youth Activities	17.259	-	-	-	-
Texas Workforce Commission					
2016AEL000		-	219,773	219,773	-
Total	17.259	-	219,773	219,773	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	-	-	-	-
Texas Workforce Commission					
2016ATP000		-	7,030	7,030	-
2915WSW003		-	144,414	144,414	-
Total	17.278	-	151,444	151,444	-
Total WIA/WIOA Cluster		-	642,633	642,633	-
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	-	357,935	357,935	-
TOTAL U.S. DEPARTMENT OF LABOR		-	1,381,096	1,381,096	359,600
U.S. DEPARTMENT OF STATE					
Public Diplomacy Programs	19.040	14,132	-	14,132	-
TOTAL U.S. DEPARTMENT OF STATE		14,132	-	14,132	-
U.S. DEPARTMENT OF TRANSPORTATION					
Commercial Motor Vehicle Operators Grants	20.235	156,450	-	156,450	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		156,450	-	156,450	-

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2016**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
NATIONAL ENDOWMENT FOR THE ARTS					
Promotion of the Arts_Grants to Organizations and Individuals	45.024	\$ 9,518	\$ -	\$ 9,518	\$ -
TOTAL NATIONAL ENDOWMENT FOR THE ARTS		9,518	-	9,518	-
NATIONAL ENDOWMENT FOR THE HUMANITIES					
Promotion of the Humanities_Public Programs	45.164	-	-	-	-
American Library Association					
LA105602		-	2,990	2,990	-
Total	45.164	-	2,990	2,990	-
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES		-	2,990	2,990	-
NATIONAL SCIENCE FOUNDATION					
Research & Development Cluster					
Education and Human Resources	47.076	166,342	-	166,342	-
University of Texas at San Antonio					
26-1002-9061		-	5,526	5,526	-
Total Research & Development Cluster		166,342	5,526	171,868	-
Education and Human Resources	47.076	522,014	-	522,014	-
Texas A&M University					
M1401786		-	26,144	26,144	-
Wright State University					
DUE-0817332		-	7,743	7,743	-
Total	47.076	688,356	39,413	727,769	-
TOTAL NATIONAL SCIENCE FOUNDATION		688,356	39,413	727,769	-
U.S. DEPARTMENT OF ENERGY					
Renewable Energy Research and Development	81.087	-	-	-	-
University of Texas at San Antonio					
326140006A		-	18,390	18,390	-
Total	81.087	-	18,390	18,390	-
TOTAL U.S. DEPARTMENT OF ENERGY		-	18,390	18,390	-
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	-	-	-	-
Texas Workforce Commission					
2016ATP000		-	25,243	25,243	-
2016SMP001		-	43,788	43,788	-
Education Service Center Region 20					
N/A		-	34,946	34,946	-
Total	93.558	-	103,977	103,977	-
Total TANF Cluster		-	103,977	103,977	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	-	-	-	-
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo					
N/A		-	112,935	112,935	-
Total	93.575	-	112,935	112,935	-
Total CCDF Cluster		-	112,935	112,935	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	-	-	-	-
Healthy Futures of Texas					
90AK0050-01-00		-	17,165	17,165	-
Total	93.092	-	17,165	17,165	-

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2016**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	\$ 1,150,118	\$ -	\$ 1,150,118	\$ 236,665
Substance Abuse and Mental Health Services_Projects of Regional and National Significance University of Texas at Austin 12-001072	93.243	370,473	-	370,473	192,508
		-	25,024	25,024	-
Total	93.243	370,473	25,024	395,497	192,508
Biomedical Research and Research Training Texas State University 14001-82044-1	93.859	-	-	-	-
		-	144,721	144,721	-
Total	93.859	-	144,721	144,721	-
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES		1,520,591	403,822	1,924,413	429,173
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps Public Allies Inc 12EDHWI0010010 15EDHWI0010014	94.006	-	-	-	-
		-	51,616	51,616	-
		-	78,645	78,645	-
Total	94.006	-	130,261	130,261	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		-	130,261	130,261	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 121,375,002	\$ 4,607,080	\$ 125,982,082	\$ 1,888,844

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, 2016

1. FEDERAL ASSISTANCE RECONCILIATION

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 20,368,907
Add: Non-Operating Revenues- federal revenue, non-operating - per Schedule C	<u>79,919,261</u>
Total Federal Revenues per Schedule A and C	100,288,168
Reconciling Items:	
Add: Federal Direct Student Loans	25,693,914
Less: Federal contracts (Note 3 below)	<u>-</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$ 125,982,082

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

3. EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT

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

4. FEDERAL DIRECT STUDENT LOAN PROGRAM

The District participates in the Federal Direct Student Loans program (CFDA 84.268). Loans under the Federal Direct Student Loans program are made directly by the federal government to students. Loans disbursed during the fiscal year ended August 31, 2016 totaled \$25,693,914 and are presented as current year federal expenditures.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E

**Notes to Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2016**

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

U.S. Department of Education		
Passed through the Adult Education - Basic Grants to States (CFDA 84.002) to:		
San Antonio Independent School District	\$	99,736
Passed through the Higher Education_Institution Aid (CFDA 84.031) to:		
Sul Ross State University		1,000,335
U.S. Department of Labor		
Passed through the Employment Service/Wagner-Peyser Funded Activities (CFDA 17.207) to:		
Texas Research & Technology Foundation		359,600
U.S. Department of Health & Human Services		
Passed through Affordable Care Act (ACA) Health Profession Opportunity Grants (CFDA 93.093)		
Family Service		30,741
Project Quest		195,924
San Antonio Housing Authority		10,000
Passed through Substance Abuse and Mental Health Services_Projects of Regional and National Significance (CFDA 93.243) to:		
Bexar County Hospital District		63,208
San Antonio Aids Foundation		9,300
San Antonio Fighting Back		120,000
		<u>120,000</u>
	Total	<u>\$ 1,888,844</u>

6. NONCASH AWARDS

There were no federal noncash awards in fiscal year 2016 other than Federal Direct Student Loans discussed in Note 4 above.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2016**

State Grantor/Pass-Through Grantor/Program Title	Pass-Through Grantor's Award Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
TEXAS HIGHER EDUCATION COORDINATING BOARD					
Adult Basic Education Innovation Grant	10790	\$ 57,443	\$ -	\$ 57,443	\$ 42,108
Pathways	9953	14,290	-	14,290	-
Texas College Work Study		247,374	-	247,374	-
Texas Equalization Opportunity Grant Initial		1,852,195	-	1,852,195	- *
Texas Equalization Opportunity Grant Renewal		1,380,493	-	1,380,493	- *
Texas Grant Renewal		60,899	-	60,899	-
Texas Puente Program	15305	49,382	-	49,382	-
Texas-Science, Technology, Engineering, and Math (T-STEM)	15137	765,309	-	765,309	- *
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		4,427,385	-	4,427,385	42,108
TEXAS WORKFORCE COMMISSION					
Apprenticeship Training Program	2016ATP000	64,517	-	64,517	-
Skills Development Fund	2014SDF000	14,511	-	14,511	-
Skills Development Fund	2014SDF001	67,775	-	67,775	-
Skills Development Fund	2015SDF000	1,389,475	-	1,389,475	-
Skills Development Fund	2016SDF000	26,672	-	26,672	-
Total Skills Development Fund		1,498,433	-	1,498,433	-
Skills Development Fund Veteran and Industry Partnership	2014SDF003	121,755	-	121,755	-
Education Service Center Region 20					
Adult Education & Literacy	N/A	-	79,153	79,153	-
TOTAL TEXAS WORKFORCE COMMISSION		1,684,705	79,153	1,763,858	-
TOTAL EXPENDITURES OF STATE AWARDS		\$ 6,112,090	\$ 79,153	\$ 6,191,243	\$ 42,108

*Major program

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, 2016**

1. STATE ASSISTANCE RECONCILIATION

Other Operating Revenues - state grants and contracts - per Schedule A	\$ 1,920,275
Add: Non-Operating Revenues- state revenue, non-operating - per Schedule C	<u>4,271,961</u>
Total State Revenues per Schedule A and C	6,192,236
Reconciling Items:	
Less: State contracts (Note 3 below)	<u>993</u>
Total State Expenditures per Schedule of Expenditures of State Awards	<u>\$ 6,191,243</u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

3. EXPENDITURES NOT SUBJECT TO STATE SINGLE AUDIT

The District received a subcontract from Trinity Valley Community College for curriculum development for the Nursing Innovation Grant funded by the Texas Higher Education Coordinating Board.	\$ 993
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4. AMOUNTS PASSED THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT

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

Texas Higher Education Coordinating Board	
Passed through the Adult Basic Education Innovation Grants:	
Coastal Bend College	\$ (12,159)
Laredo Community College District	16
Victoria College	<u>54,251</u>
Total Texas Higher Education Coordinating Board	<u>\$ 42,108</u>

5. NONCASH AWARDS

There were no state noncash awards received in fiscal year 2016.

**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, 2016
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Tuition							
State funded courses							
In District resident tuition	\$ -	\$ 24,235,865	\$ 12,354,864	\$ 10,892,257	\$ 21,746,142	\$ 4,625,385	\$ 73,854,513
Out of District resident tuition	-	5,727,840	6,902,698	4,296,148	3,667,502	3,396,860	23,991,048
Non-resident tuition	-	3,461,968	1,932,019	769,166	1,816,971	450,513	8,430,637
TPEG - credit set aside	-	1,522,702	853,365	677,922	1,184,313	337,341	4,575,643
State-funded continuing education	630,883	-	103,442	21,406	88,793	2,775	847,299
TPEG - non-credit set aside	-	-	6,603	1,366	5,836	9	13,814
Non-State funded continuing education	2,286,244	54,426	191,087	16,471	58,164	2,555	2,608,947
Total tuition	2,917,127	35,002,801	22,344,078	16,674,736	28,567,721	8,815,438	114,321,901
Fees							
Other	3,857,562	463,677	339,047	157,033	484,326	205,240	5,506,885
Total fees	3,857,562	463,677	339,047	157,033	484,326	205,240	5,506,885
Total tuition and fees	6,774,689	35,466,478	22,683,125	16,831,769	29,052,047	9,020,678	119,828,786
Allowances and discounts							
Institutional allowances and scholarships	-	(304,914)	(155,087)	(123,144)	(196,401)	(33,379)	(812,925)
Remissions and exemptions - state	-	(1,750,021)	(907,783)	(728,180)	(1,050,472)	(232,014)	(4,668,470)
Remissions and exemptions - local - dual credit	-	(4,230,157)	(6,393,431)	(3,260,413)	(4,134,331)	(794,455)	(18,812,787)
Federal grants to students	-	(12,419,511)	(5,451,918)	(5,329,059)	(8,358,948)	-	(31,559,436)
TPEG awards	-	(772,663)	(339,184)	(331,540)	(520,040)	-	(1,963,427)
State grants to students	-	(676,461)	(296,953)	(290,261)	(455,292)	-	(1,718,967)
Other local awards	(2,337,514)	(289,638)	(175,477)	(26,745)	-	(7,441)	(2,836,815)
Total allowances and discounts	(2,337,514)	(20,443,365)	(13,719,833)	(10,089,342)	(14,715,484)	(1,067,289)	(62,372,827)
Total net tuition and fees	4,437,175	15,023,113	8,963,292	6,742,427	14,336,563	7,953,389	57,455,959
Other operating revenues							
Federal grants and contracts	4,363,113	4,037,894	9,518,647	1,787,497	585,624	76,132	20,368,907
State grants and contracts	1,805,383	994	64,516	49,382	-	-	1,920,275
Local grants and contracts	1,080,823	409,793	451,649	854	712	1,276	1,945,107
Non-governmental grants and contracts	366,791	39,736	165,507	8,799	-	4,650	585,483
Other operating revenues	2,690,181	394,001	246,955	13,703	92,613	78,415	3,515,868
Total other operating revenues	10,306,291	4,882,418	10,447,274	1,860,235	678,949	160,473	28,335,640
Sales and services of auxiliary enterprises							
Bookstore commission	-	204,313	172,912	187,948	258,132	97,450	920,755
Palo Alto College natatorium	-	-	-	565,063	-	-	565,063
Day care centers	-	269,103	121,171	242,934	-	-	633,208
Vending machines/copiers	12,245	108,372	85,682	59,626	104,211	17,956	388,092
Parking access and fines	10,374	805,722	333,764	304,213	661,053	173,190	2,288,316
Other	-	187,176	16,073	64,675	50,004	14,522	332,450
Total sales and services of auxiliary enterprises	22,619	1,574,686	729,602	1,424,459	1,073,400	303,118	5,127,884
Total operating revenues	\$ 14,766,085	\$ 21,480,217	\$ 20,140,168	\$ 10,027,121	\$ 16,088,912	\$ 8,416,980	\$ 90,919,483

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Expenses by Location
For the Year Ended August 31, 2016
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	\$ 6,084,614	\$ 42,626,549	\$ 26,720,832	\$ 17,410,764	\$ 23,583,935	\$ 9,119,427	\$ 125,546,121
Public service	10,420	699,000	146,390	-	-	-	855,810
Academic support	715,467	5,242,292	5,696,043	2,290,830	8,035,527	2,866,177	24,846,336
Student services	10,378,208	12,024,735	6,819,071	6,913,580	6,894,351	2,676,687	45,706,632
Institutional support	41,334,939	10,991,372	7,254,511	4,077,697	3,727,938	2,585,307	69,971,764
Operation and maintenance of plant	7,770,483	10,050,227	7,072,606	5,967,688	4,217,224	3,215,509	38,293,737
Scholarships and fellowships	897,209	20,384,511	8,858,388	9,568,460	13,808,574	-	53,517,142
Total educational activities	67,191,340	102,018,686	62,567,841	46,229,019	60,267,549	20,463,107	358,737,542
Auxiliary enterprises	53,049	103,439	87,960	1,506,132	2,621	3,430	1,756,631
Depreciation expense - building	875,872	7,356,973	6,972,742	5,163,409	4,647,324	3,423,568	28,439,888
Depreciation expense - equipment	1,182,482	865,134	890,404	254,188	257,040	118,503	3,567,751
Total operating expenses	\$ 69,302,743	\$ 110,344,232	\$ 70,518,947	\$ 53,152,748	\$ 65,174,534	\$ 24,008,608	\$ 392,501,812

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Non-Operating Revenues and Expenses by Location
For the Year Ended August 31, 2016
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
NON-OPERATING REVENUES:							
State appropriations							
Education and general state support	\$ -	\$ 19,895,935	\$ 12,754,440	\$ 8,143,708	\$ 14,976,390	\$ 5,193,221	\$ 60,963,694
State group insurance	2,174,510	3,080,696	1,899,908	1,259,924	1,723,448	824,881	10,963,367
State retirement match	3,433,800	779,116	461,508	309,073	403,751	171,628	5,558,876
Ad valorem taxes							
Taxes for maintenance and operations	39,942,493	30,086,683	25,154,386	17,940,524	10,035,748	9,819,267	132,979,101
Taxes for maintenance notes	22,985,744	999,144	850,971	658,581	864,120	518,869	26,877,429
Taxes for debt service	13,784,333	3,060,618	2,606,727	2,017,392	2,647,005	4,280,315	28,396,390
Federal revenue, non-operating	-	31,557,453	13,396,358	13,880,266	21,085,184	-	79,919,261
State revenue, non-operating	731,000	1,358,563	593,804	573,574	1,015,020	-	4,271,961
Gifts	47,500	1,065,586	19,952	1,447,579	10,700	10,554	2,601,871
Investment income	1,138,086	7,962	3,945	3,005	4,218	11,168	1,168,384
Total non-operating revenues	<u>84,237,466</u>	<u>91,891,756</u>	<u>57,741,999</u>	<u>46,233,626</u>	<u>52,765,584</u>	<u>20,829,903</u>	<u>353,700,334</u>
NON-OPERATING EXPENSES:							
Interest on capital related debt	(1,181,627)	(3,060,618)	(2,606,727)	(2,017,392)	(2,647,005)	(4,280,315)	(15,793,684)
Interest on maintenance tax notes	(385,744)	(999,144)	(850,971)	(658,581)	(864,120)	(518,869)	(4,277,429)
Loss on disposal of capital assets	(17,946)	(6,965)	(2,079)	(14,974)	(477)	(2,027)	(44,468)
Other non-operating expenses	(6,370,175)	-	-	-	-	-	(6,370,175)
Total non-operating expenses	<u>(7,955,492)</u>	<u>(4,066,727)</u>	<u>(3,459,777)</u>	<u>(2,690,947)</u>	<u>(3,511,602)</u>	<u>(4,801,211)</u>	<u>(26,485,756)</u>
Net non-operating revenues	<u>\$ 76,281,974</u>	<u>\$ 87,825,029</u>	<u>\$ 54,282,222</u>	<u>\$ 43,542,679</u>	<u>\$ 49,253,982</u>	<u>\$ 16,028,692</u>	<u>\$ 327,214,578</u>

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Asset Types
For the Year Ended August 31, 2016
(Unaudited)

	Balance 9/1/2015	Additions	Deletions	Balance 8/31/2016
<i>Land:</i>				
San Antonio College	\$ 11,578,670	\$ -	\$ -	\$ 11,578,670
St. Philip's College	6,183,345	-	-	6,183,345
Palo Alto College	1,759,561	-	-	1,759,561
Northwest Vista College	1,717,000	-	-	1,717,000
Northeast Lakeview College	5,259,089	-	-	5,259,089
North Central Campus	12,793,381	-	-	12,793,381
District offices	13,701,683	-	-	13,701,683
Total land	52,992,729	-	-	52,992,729
<i>Buildings:</i>				
San Antonio College	225,644,877	896,653	-	226,541,530
St. Philip's College	192,754,045	-	-	192,754,045
Palo Alto College	135,473,666	-	-	135,473,666
Northwest Vista College	131,691,726	-	-	131,691,726
Northeast Lakeview College	117,273,693	-	-	117,273,693
North Central Campus	-	-	-	-
District offices	29,403,523	-	-	29,403,523
Total buildings	832,241,530	896,653	-	833,138,183
<i>Facility and land improvements:</i>				
San Antonio College	27,254,033	739,225	-	27,993,258
St. Philip's College	21,413,015	-	-	21,413,015
Palo Alto College	20,336,721	-	-	20,336,721
Northwest Vista College	31,627,258	979,350	-	32,606,608
Northeast Lakeview College	16,530,899	-	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	6,526,335	-	-	6,526,335
Total facility and land improvements	123,883,981	1,718,575	-	125,602,556
<i>Equipment:</i>				
San Antonio College	7,459,566	27,519	267,869	7,219,216
St. Philip's College	12,515,647	555,510	147,217	12,923,940
Palo Alto College	2,230,726	74,366	50,969	2,254,123
Northwest Vista College	1,978,847	76,043	342,817	1,712,073
Northeast Lakeview College	813,552	33,418	36,510	810,460
North Central Campus	-	-	-	-
District offices	12,449,816	1,556,199	770,179	13,235,836
Total equipment	37,448,154	2,323,055	1,615,561	38,155,648
<i>Software:</i>				
San Antonio College	71,327	-	-	71,327
St. Philip's College	28,819	-	-	28,819
Palo Alto College	9,408	-	-	9,408
District wide	2,995,275	-	-	2,995,275
Total software	3,104,829	-	-	3,104,829
<i>Library books:</i>				
San Antonio College	6,204,107	30,504	149,575	6,085,036
St. Philip's College	4,749,899	2,868	95,207	4,657,560
Palo Alto College	3,886,092	609	140,270	3,746,431
Northwest Vista College	875,836	12,417	-	888,253
Northeast Lakeview College	624,826	51,480	-	676,306
Total library books	16,340,760	97,878	385,052	16,053,586
<i>Works of art:</i>				
San Antonio College	88,000	-	-	88,000
St. Philip's College	119,250	-	-	119,250
Palo Alto College	18,971	-	-	18,971
Total works of art	226,221	-	-	226,221
<i>Construction in Progress:</i>				
San Antonio College	-	130,400	-	130,400
St. Philip's College	-	7,836,843	-	7,836,843
Palo Alto College	-	-	-	-
Northwest Vista College	-	-	-	-
Northeast Lakeview College	-	-	-	-
North Central Campus	-	-	-	-
District offices	-	-	-	-
Total construction in progress	-	7,967,243	-	7,967,243
Grand total	\$ 1,066,238,204	\$ 13,003,404	\$ 2,000,613	\$ 1,077,240,995

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Location
For the Year Ended August 31, 2016
(Unaudited)

	Balance 9/1/2015	Additions	Deletions	Balance 8/31/2016
<i>San Antonio College:</i>				
Land	\$ 11,578,670	\$ -	\$ -	\$ 11,578,670
Buildings	225,644,877	896,653	-	226,541,530
Facility and land improvements	27,254,033	739,225	-	27,993,258
Equipment	7,459,566	27,519	267,869	7,219,216
Software	71,327	-	-	71,327
Library books	6,204,107	30,504	149,575	6,085,036
Works of art	88,000	-	-	88,000
Construction in progress	-	130,400	-	130,400
Total San Antonio College	278,300,580	1,824,301	417,444	279,707,437
<i>St. Philip's College:</i>				
Land	6,183,345	-	-	6,183,345
Buildings	192,754,045	-	-	192,754,045
Facility and land improvements	21,413,015	-	-	21,413,015
Equipment	12,515,647	555,510	147,217	12,923,940
Software	28,819	-	-	28,819
Library books	4,749,899	2,868	95,207	4,657,560
Works of art	119,250	-	-	119,250
Construction in progress	-	7,836,843	-	7,836,843
Total St. Philip's College	237,764,020	8,395,221	242,424	245,916,817
<i>Palo Alto College:</i>				
Land	1,759,561	-	-	1,759,561
Buildings	135,473,666	-	-	135,473,666
Facility and land improvements	20,336,721	-	-	20,336,721
Equipment	2,230,726	74,366	50,969	2,254,123
Software	9,408	-	-	9,408
Library books	3,886,092	609	140,270	3,746,431
Works of art	18,971	-	-	18,971
Construction in progress	-	-	-	-
Total Palo Alto College	163,715,145	74,975	191,239	163,598,881
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings	131,691,726	-	-	131,691,726
Facility and land improvements	31,627,258	979,350	-	32,606,608
Equipment	1,978,847	76,043	342,817	1,712,073
Library books	875,836	12,417	-	888,253
Construction in progress	-	-	-	-
Total Northwest Vista College	167,890,667	1,067,810	342,817	168,615,660
<i>Northeast Lakeview College:</i>				
Land	5,259,089	-	-	5,259,089
Buildings	117,273,693	-	-	117,273,693
Facility and land improvements	16,530,899	-	-	16,530,899
Equipment	813,552	33,418	36,510	810,460
Library books	624,826	51,480	-	676,306
Construction in progress	-	-	-	-
Total Northeast Campus	140,502,059	84,898	36,510	140,550,447
<i>North Central Campus:</i>				
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
<i>District offices:</i>				
Land	13,701,683	-	-	13,701,683
Buildings	29,403,523	-	-	29,403,523
Facility and land improvements	6,526,335	-	-	6,526,335
Equipment	12,449,816	1,556,199	770,179	13,235,836
Software	2,995,275	-	-	2,995,275
Construction in progress	-	-	-	-
Total District offices	65,076,632	1,556,199	770,179	65,862,652
Grand total	\$ 1,066,238,204	\$ 13,003,404	\$ 2,000,613	\$ 1,077,240,995



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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net investment in capital assets	\$ 210,275	\$ 188,810	\$ 180,647	\$ 170,255	\$ 163,742	\$ 179,050	\$ 182,572	\$ 181,568	\$ 172,395	\$ 155,641
Restricted - nonexpendable	-	-	-	-	-	-	-	-	1,299	1,298
Restricted - expendable	24,591	24,241	18,633	16,410	12,963	11,339	11,212	10,256	13,185	7,050
Unrestricted	29,847	26,030	86,223	101,383	101,913	83,693	83,547	82,033	91,556	82,283
Total	264,713	239,081	285,503	288,048	278,618	274,082	277,331	273,857	278,435	246,272
Net position, beginning of year	239,081	230,602 *	288,048	278,618	274,082	277,331	273,857	278,435	246,272	200,805
Increase (decrease) in net position	\$ 25,632	\$ 8,479	\$ (2,545)	\$ 9,430	\$ 4,536	\$ (3,249)	\$ 3,474	\$ (4,578)	\$ 32,163	\$ 45,467

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,																			
	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
Tuition and fees (net of discounts)	\$ 57,456	12.9%	\$ 58,190	13.8%	\$ 58,801	14.3%	\$ 64,091	15.5%	\$ 59,697	14.3%	\$ 48,917	11.4%	\$ 58,892	13.5%	\$ 51,115	12.9%	\$ 52,797	14.1%	\$ 49,198	14.4%
Governmental grants and contracts																				
Federal grants and contracts	20,369	4.6%	11,778	2.8%	12,766	3.1%	19,139	4.6%	20,098	4.8%	18,364	4.3%	21,369	4.9%	17,250	4.4%	14,206	3.8%	14,032	4.1%
State grants and contracts	1,920	0.4%	3,948	0.9%	4,066	1.0%	3,319	0.8%	7,061	1.7%	5,863	1.4%	2,758	0.6%	3,022	0.8%	3,155	0.8%	3,169	0.9%
Local grants and contracts	1,945	0.4%	1,297	0.3%	1,446	0.4%	1,954	0.5%	1,991	0.5%	1,108	0.3%	1,438	0.3%	1,007	0.3%	1,117	0.3%	897	0.3%
Non-governmental grants and contracts	585	0.1%	413	0.1%	540	0.1%	369	0.1%	1,267	0.3%	1,288	0.3%	1,656	0.4%	2,221	0.6%	483	0.1%	787	0.2%
Investment income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4	0.0%	19	0.0%	158	0.0%	184	0.1%
Auxiliary enterprises	5,128	1.2%	4,929	1.2%	5,137	1.2%	4,064	1.0%	4,327	1.0%	4,194	1.0%	4,523	1.0%	4,265	1.1%	4,236	1.1%	3,754	1.1%
Other operating revenue	3,516	0.8%	3,404	0.8%	2,830	0.7%	2,993	0.7%	2,499	0.6%	1,624	0.4%	1,282	0.3%	2,325	0.6%	2,496	0.7%	2,167	0.6%
Total operating revenues	90,919	20.4%	83,959	19.9%	85,586	20.8%	95,929	23.2%	96,940	23.2%	81,358	19.1%	91,922	21.0%	81,224	20.7%	78,648	20.9%	74,188	21.7%
State appropriation	77,486	17.4%	77,541	18.4%	77,020	18.7%	75,998	18.4%	77,777	18.7%	85,942	20.1%	90,135	20.6%	87,947	22.2%	87,318	23.4%	83,500	24.5%
Ad valorem taxes	188,253	42.3%	167,806	39.9%	157,721	38.3%	148,974	36.0%	139,160	33.4%	136,712	31.7%	133,601	30.7%	131,818	33.1%	118,441	31.9%	103,779	30.5%
Federal revenue, non-operating	79,919	18.0%	82,691	19.6%	84,282	20.5%	87,421	21.1%	96,451	23.2%	118,193	27.6%	113,380	25.9%	82,534	20.9%	62,542	16.7%	56,703	16.6%
State revenue, non-operating	4,272	1.0%	7,063	1.7%	4,392	1.1%	3,634	0.9%	3,549	0.9%	4,214	1.0%	6,746	1.5%	5,075	1.3%	4,041	1.1%	2,752	0.8%
Gifts	2,602	0.6%	1,342	0.3%	1,658	0.4%	1,426	0.3%	795	0.2%	476	0.1%	96	0.0%	601	0.2%	141	0.0%	581	0.2%
Investment income	1,168	0.3%	775	0.2%	1,027	0.2%	222	0.1%	1,858	0.4%	1,566	0.4%	1,439	0.3%	6,293	1.6%	22,533	6.0%	19,613	5.7%
Other non-operating revenues	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	48	0.0%
Total non-operating revenues	353,700	79.6%	337,218	80.1%	326,100	79.2%	317,675	76.8%	319,590	76.8%	347,103	80.9%	345,397	79.0%	314,268	79.3%	295,016	79.1%	266,976	78.3%
Total revenues	\$ 444,619	100.0%	\$ 421,177	100.0%	\$ 411,686	100.0%	\$ 413,604	100.0%	\$ 416,530	100.0%	\$ 428,461	100.0%	\$ 437,319	100.0%	\$ 395,492	100.0%	\$ 373,664	100.0%	\$ 341,164	100.0%

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,																			
	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
Instruction	\$ 125,546	30.0%	\$ 125,728	30.5%	\$ 125,882	30.4%	\$ 122,956	29.7%	\$ 128,486	31.7%	\$ 144,317	33.4%	\$ 145,086	33.4%	\$ 130,794	32.8%	\$ 122,966	35.9%	\$ 116,588	39.4%
Public service	856	0.2%	1,316	0.3%	1,638	0.4%	1,638	0.4%	349	0.1%	291	0.1%	300	0.1%	609	0.2%	591	0.2%	891	0.3%
Academic support	24,846	5.9%	25,110	6.1%	24,662	6.0%	24,094	5.8%	26,179	6.5%	28,083	6.5%	27,529	6.3%	25,131	6.3%	21,931	6.4%	19,693	6.7%
Student services	45,707	10.9%	42,971	10.4%	36,774	8.9%	35,868	8.7%	29,090	7.2%	31,004	7.2%	33,631	7.8%	32,012	8.0%	31,937	9.3%	30,326	10.2%
Institutional support	69,972	16.7%	65,195	15.8%	65,231	15.7%	63,871	15.4%	53,487	13.2%	54,684	12.7%	55,463	12.8%	54,951	13.8%	46,671	13.6%	40,131	13.6%
Operation and maintenance of plant	38,294	9.1%	36,124	8.8%	36,790	8.9%	36,374	8.8%	34,891	8.6%	33,259	7.7%	31,847	7.3%	29,807	7.5%	20,381	6.0%	19,485	6.6%
Scholarships and fellowships	53,517	12.8%	57,362	13.9%	58,905	14.2%	58,905	14.2%	65,811	16.2%	78,447	18.2%	79,979	18.4%	58,582	14.7%	43,887	12.8%	37,913	12.8%
Auxiliary enterprises	1,757	0.4%	1,722	0.4%	1,672	0.4%	1,672	0.4%	1,440	0.4%	2,214	0.5%	1,645	0.4%	2,449	0.6%	2,312	0.7%	2,161	0.7%
Depreciation	32,007	7.6%	31,518	7.6%	32,152	7.8%	32,152	7.8%	30,486	7.5%	29,520	6.8%	24,550	5.7%	17,044	4.3%	11,072	3.2%	10,601	3.6%
Total operating expenses	392,502	93.6%	387,046	93.8%	383,706	92.7%	377,530	91.2%	370,219	91.4%	401,819	93.1%	400,030	92.2%	351,379	88.2%	301,748	88.1%	277,789	93.9%
Interest on capital related debt	20,071	4.8%	23,368	5.7%	25,062	6.1%	30,418	7.3%	26,973	6.7%	27,408	6.3%	28,084	6.5%	28,842	7.2%	29,551	8.6%	14,993	5.1%
Other non-operating expenses	6,370	1.5%	2,216	0.5%	5,319	1.2%	5,612	1.4%	8,136	1.9%	2,300	0.5%	5,118	1.1%	18,541	4.6%	10,333	3.2%	2,773	0.8%
Loss on disposal of capital assets	45	0.1%	68	0.0%	144	0.0%	348	0.1%	129	0.0%	232	0.1%	662	0.2%	35	0.0%	419	0.1%	499	0.2%
Total non-operating expenses	26,486	6.4%	25,652	6.2%	30,525	7.3%	36,378	8.8%	35,238	8.6%	29,940	6.9%	33,864	7.8%	47,418	11.8%	40,303	11.9%	18,265	6.1%
Total expenses	\$ 418,988	100.0%	\$ 412,698	100.0%	\$ 414,231	100.0%	\$ 413,908	100.0%	\$ 405,457	100.0%	\$ 431,759	100.0%	\$ 433,894	100.0%	\$ 398,797	100.0%	\$ 342,051	100.0%	\$ 296,054	100.0%

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 Fiscal Years (Unaudited)

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

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

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

Academic Year (Fall)	Registration Fee (per student)**	Non-Resident Tuition Out-of-State*	Student Activity Fees	Campus Access Fee	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2015	\$ -	\$ 358.00	\$ 12.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -	4,329.00	0.00%
Fall 2014	-	358.00	12.00	25.00	-	-	-	-	4,329.00	0.00%
Fall 2013	-	358.00	12.00	25.00	-	-	-	-	4,329.00	0.58%
Fall 2012	-	358.00	12.00	-	-	-	-	-	4,304.00	51.82%
Fall 2011	-	224.00	12.00	-	135.00	-	-	-	2,835.00	4.73%
Fall 2010	-	214.00	12.00	-	127.00	-	-	-	2,707.00	5.13%
Fall 2009	-	203.00	12.00	-	127.00	-	-	-	2,575.00	10.56%
Fall 2008	-	183.00	12.00	-	121.00	-	-	-	2,329.00	-1.36%
Fall 2007	13.00	176.00	12.00	-	121.00	13.00	24.00	66.00	2,361.00	4.61%
Fall 2006	12.00	168.00	12.00	-	115.00	12.00	24.00	66.00	2,257.00	5.37%

* 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. Variable tuition rate per semester hour is \$69.25 and \$357.67 for in-district tuition and for non-resident tuition out-of-state, respectively.

** 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
2015-16	\$ 142,067,628,821	\$ 12,447,564,810	\$ 129,620,064,011	91.24%	0.10530	0.04385	0.14915
2014-15	126,334,172,615	11,631,046,317	114,703,126,298	90.79%	0.10640	0.04275	0.14915
2013-14	117,537,576,763	10,595,670,602	106,941,906,161	90.99%	0.10440	0.04475	0.14915
2012-13	111,855,649,838	10,294,806,815	101,560,843,023	90.80%	0.10440	0.04475	0.14915
2011-12	109,886,262,029	10,136,852,914	99,749,409,115	90.78%	0.09687	0.04475	0.14162
2010-11	109,126,636,976	9,850,838,178	99,275,798,798	90.97%	0.09687	0.04475	0.14162
2009-10	110,259,418,727	9,570,660,304	100,688,758,423	91.32%	0.09110	0.04475	0.13585
2008-09	108,103,964,593	8,679,501,416	99,424,463,177	91.97%	0.09110	0.04475	0.13585
2007-08	97,076,127,829	7,007,075,783	90,069,052,046	92.78%	0.08980	0.04475	0.13455
2006-07	82,475,118,571	5,436,124,534	77,038,994,037	93.41%	0.09230	0.04475	0.13705

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

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

FY 2015 restated for TIRZ value.

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	
2015-16	\$ 60,963,694	35,771	1,704	16,192,256	3,314,432	19,506,688	3.13	
2014-15	63,440,469	35,586	1,783	15,932,200	3,497,856	19,430,056	3.27	
2013-14	63,440,918	36,031	1,761	16,338,384	3,534,304	19,872,688	3.19	
2012-13	63,625,883	36,849	1,727	16,850,656	3,704,224	20,554,880	3.10	
2011-12	66,004,803	39,131	1,687	17,767,584	3,912,464	21,680,048	3.04	
2010-11	65,658,472	39,162	1,677	18,969,648	4,116,144	23,085,792	2.84	
2009-10	69,233,873	41,077	1,685	18,845,612	4,195,048	23,040,660	3.00	
2008-09	67,846,696	36,254	1,871	16,578,880	3,699,074	20,277,954	3.35	
2007-08	67,846,696	34,173	1,985	15,499,262	3,689,690	19,188,952	3.54	
2006-07	65,409,379	33,531	1,951	15,057,632	3,870,207	18,927,839	3.46	

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 2015-16 - Data is preliminary.

Source: CBM004

ALAMO COMMUNITY COLLEGE DISTRICT

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

Taxable Assessed Value (TAV) (\$000 omitted)											
Tax Payer	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006*	
HEB Grocery Company LP	\$ 1,265,838	\$ 1,119,370	\$ 1,090,006	\$ 1,025,290	\$ 968,937	\$ 957,372	\$ 915,618	\$ 860,947	\$ 835,417	\$ 734,917	
Methodist Healthcare Systems SA LTD LLP	616,182	573,090	540,523	532,699	518,606	455,263	451,594	470,840	239,580	220,975	
Wal-Mart Stores, Inc.	614,127	552,930	512,390	400,886	396,639	384,171	-	371,620	355,246	340,767	
Toyota Motor Mfg. Texas Inc.	558,664	560,473	554,647	523,666	542,971	447,437	541,478	-	636,047	182,767	
VHS San Antonio Partners LP	514,599	501,719	469,526	359,878	404,509	375,935	375,477	390,814	295,830	251,811	
Microsoft Corporation	438,070	273,326	322,193	340,011	343,633	334,968	-	-	-	-	
Halliburton Energy Services, Inc.	413,029	309,888	-	-	-	-	-	-	-	-	
USAA	361,960	313,438	309,922	323,095	339,064	336,394	343,721	346,117	338,676	334,521	
La Cantera Specialty Retail LTD Partnership	343,303	272,081	228,526	221,968	212,394	238,190	263,640	-	-	-	
Southwestern Bell Telephone	325,075	337,247	351,030	391,280	412,841	423,199	408,853	496,917	546,653	568,534	
SA Real Estate LLLP	-	-	220,992	224,013	264,078	266,758	-	-	-	-	
Frost National Bank	-	-	-	-	-	-	209,948	186,581	-	174,828	
Marriott Hotel Properties	-	-	-	-	-	-	171,581	188,615	-	-	
Frankel Family Trust	-	-	-	-	-	-	199,812	194,134	-	-	
Time Warner Cable San Antonio LP (Paragon)	-	-	-	-	-	-	-	-	185,569	178,019	
New River Center Mall LP	-	-	-	-	-	-	-	-	209,062	178,977	
MBS-Colonnade Ltd	-	-	-	-	-	-	-	215,664	223,505	-	
	\$ 5,450,847	\$ 4,813,562	\$ 4,599,755	\$ 4,342,786	\$ 4,403,671	\$ 4,219,687	\$ 3,881,722	\$ 3,722,249	\$ 3,865,585	\$ 3,166,116	
Total Taxable Assessed Value	\$ 129,620,064	\$ 114,754,869	\$ 106,941,906	\$ 101,560,843	\$ 99,749,407	\$ 99,275,859	\$ 100,688,758	\$ 99,836,254	\$ 90,069,052	\$ 77,038,994	

% of Taxable Assessed Value (TAV)											
Tax Payer	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006*	
HEB Grocery Company LP	0.98%	0.98%	1.02%	1.01%	0.97%	0.96%	0.91%	0.86%	0.93%	0.95%	
Methodist Healthcare Systems SA LTD LLP	0.48%	0.50%	0.51%	0.52%	0.52%	0.46%	0.45%	0.47%	0.27%	0.29%	
Wal-Mart Stores, Inc.	0.47%	0.48%	0.48%	0.39%	0.40%	0.39%	0.00%	0.37%	0.39%	0.44%	
Toyota Motor Mfg. Texas Inc.	0.43%	0.49%	0.52%	0.52%	0.54%	0.45%	0.54%	0.00%	0.71%	0.24%	
VHS San Antonio Partners LP	0.40%	0.44%	0.44%	0.35%	0.41%	0.38%	0.37%	0.39%	0.33%	0.33%	
Microsoft Corporation	0.34%	0.24%	0.30%	0.33%	0.34%	0.34%	0.00%	0.00%	0.00%	0.00%	
Halliburton Energy Services, Inc.	0.32%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
USAA	0.28%	0.27%	0.29%	0.32%	0.34%	0.34%	0.34%	0.35%	0.38%	0.43%	
La Cantera Specialty Retail LTD Partnership	0.26%	0.24%	0.21%	0.22%	0.21%	0.24%	0.26%	0.00%	0.00%	0.00%	
Southwestern Bell Telephone	0.25%	0.29%	0.33%	0.39%	0.41%	0.43%	0.41%	0.50%	0.61%	0.74%	
SA Real Estate LLLP	0.00%	0.00%	0.21%	0.22%	0.26%	0.27%	0.00%	0.00%	0.00%	0.00%	
Frost National Bank	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.19%	0.00%	0.23%	
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%	0.19%	0.00%	0.00%	
Frankel Family Trust	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.19%	0.00%	0.00%	
Time Warner Cable San Antonio LP (Paragon)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.23%	
New River Center Mall LP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.23%	
MBS-Colonnade Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.25%	0.00%	
	4.21%	4.19%	4.30%	4.28%	4.41%	4.25%	3.86%	3.73%	4.29%	4.11%	

Source: Bexar County Appraisal District

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

Fiscal Year corresponds to prior Tax Year

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
2016	\$ 189,391,239	\$ (2,183,006)	\$ 187,208,234	\$ 185,543,626	98.82%	\$ -	\$ -	\$ 185,543,626	99.11%
2015	168,691,852	(2,488,114)	166,203,738	165,010,702	99.28%	-	363,486	165,374,188	99.50%
2014	157,087,439	(1,791,750)	155,295,689	154,114,745	99.24%	418,870	179,334	154,712,949	99.62%
2013	148,541,205	(1,289,714)	147,251,490	145,758,928	98.99%	852,822	175,213	146,786,963	99.68%
2012	138,594,895	(885,944)	137,708,951	135,764,825	98.59%	1,382,256	160,851	137,307,932	99.71%
2011	137,908,286	(1,220,470)	136,687,816	134,739,175	98.57%	1,447,874	139,626	136,326,675	99.74%
2010	134,340,094	(1,764,948)	132,575,146	130,767,468	98.64%	1,449,146	45,726	132,262,340	99.76%
2009	132,171,475	(1,562,419)	130,609,056	128,946,515	98.73%	1,345,977	24,090	130,316,582	99.78%
2008	117,688,619	(466,207)	117,222,412	115,629,413	98.64%	1,359,607	14,297	117,003,317	99.81%
2007	102,947,673	(422,562)	102,525,111	101,029,924	98.54%	1,302,374	7,085	102,339,383	99.82%

Source: Bexar County Tax Assessor-Collector

- a) As reported in notes to the financial statements for the year of the levy (Current Yr source: Report TC168)
- b) As of August 31st of the current reporting year (Report TC168)
- c) Property tax levy only - does not include penalties and interest as reported in notes to the financial statement (Current Yr source: Report TC168)
- d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy (roll-forward balances from prior year)
- e) Represents current year collections of prior years levies (Report TC168 YTD Paid)

ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Year Ended August 31 (in thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Bonded Debt										
General obligation bonds	\$ 363,361	\$ 374,652	\$ 384,644	\$ 394,187	\$ 392,045	\$ 404,120	\$ 411,719	\$ 419,299	\$ 430,393	\$ 435,819
Tax notes	85,888	109,816	125,261	138,976	143,825	151,955	108,025	106,155	116,010	39,410
Less: Funds restricted for debt service	9,245	6,444	5,808	5,788	5,467	5,315	4,633	3,016	3,420	2,297
Net general bonded debt	\$ 440,004	\$ 478,024	\$ 504,097	\$ 527,375	\$ 530,403	\$ 550,760	\$ 515,111	\$ 522,438	\$ 542,983	\$ 472,932
Other Debt										
Revenue bonds	\$ 64,894	\$ 69,894	\$ 74,829	\$ 80,163	\$ 78,095	\$ 65,935	\$ 69,495	\$ 72,900	\$ 76,180	\$ 74,270
Notes payable	14,707	15,923	17,162	12,727	-	-	-	207	690	1,145
Total Outstanding Debt	\$ 519,605	\$ 563,841	\$ 596,088	\$ 620,265	\$ 608,498	\$ 616,695	\$ 584,606	\$ 595,545	\$ 619,853	\$ 548,347
General Bonded Debt Ratios										
Per capita	\$ 231.86	\$ 257.57	\$ 277.34	\$ 295.33	\$ 302.03	\$ 324.61	\$ 300.40	\$ 316.35	\$ 334.91	\$ 297.65
Per FTSE	12,301	13,433	13,991	14,312	13,555	14,064	12,540	14,161	15,813	14,148
As a percentage of taxable assessed value	0.34%	0.42%	0.47%	0.52%	0.53%	0.55%	0.51%	0.53%	0.60%	0.61%
Total Outstanding Debt Ratios										
Per capita	\$ 273.80	\$ 303.82	\$ 327.95	\$ 347.35	\$ 346.49	\$ 363.47	\$ 340.92	\$ 360.62	\$ 382.32	\$ 345.11
Per FTSE	14,526	15,844	16,544	16,833	15,550	15,747	14,232	16,143	18,052	16,404
As a percentage of taxable assessed value	0.40%	0.49%	0.56%	0.61%	0.61%	0.62%	0.58%	0.60%	0.69%	0.71%

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.
 Bonds outstanding are adjusted by Premium/Discount.

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
2016	\$ 129,620,064	\$ 187,560	\$ 9,245	\$ 178,315	\$ 25,000	\$ 153,315	8.40%
2015	114,754,869	164,788	6,444	158,344	26,920	131,424	12.43%
2014	106,941,906	155,707	5,808	149,899	26,913	122,986	13.55%
2013	101,560,843	147,873	5,788	142,085	26,911	115,174	14.28%
2012	99,749,409	152,743	5,467	147,276	25,745	121,531	13.28%
2011	99,275,859	152,018	5,315	146,703	27,239	119,464	14.42%
2010	100,688,758	159,994	4,633	155,361	27,205	128,156	14.11%
2009	99,424,463	157,985	3,016	154,969	31,170	123,799	17.82%
2008	90,069,052	144,291	3,420	140,871	31,171	109,700	19.23%
2007	77,038,994	121,490	2,297	119,193	29,979	89,214	22.79%

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 2015 Supplement 160)
FY 2015 Net Taxable Assessed Value adjusted for change in TIRZ valuation.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)					Debt Service Requirements (\$000 omitted)			
	Tuition	General Fee	Investment Income	Other Income	Total	Principal	Interest	Total	Coverage Ratio
2016	\$ 24,693 (1)	\$ -	\$ 974	\$ 6,292	\$ 31,959	\$ 4,720	\$ 2,356	7,076	4.52
2015	25,486 (1)	-	639	6,147	32,272	4,655	2,409	7,064	4.57
2014	26,199 (1)	-	513	6,033	32,745	5,055	2,448	7,503	4.36
2013*	27,432 (1)	-	513	5,590	33,535	4,410	2,742	7,152	4.69
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

(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.

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Calendar Year	District Population	District Personal Income (Thousands of Dollars)	District Personal Income Per Capita	District Annual Unemployment Rate
2015	1,897,753	\$ 81,038,194 *	\$ 42,702 *	3.8%
2014	1,855,866	75,825,317	40,857	4.7%
2013	1,822,154	71,786,980	39,397	5.8%
2012	1,788,858	70,274,756	39,825	6.3%
2011	1,755,526	67,565,567	38,487	7.2%
2010	1,714,773	61,673,003	35,793	7.3%
2009	1,685,628	58,073,920	34,452	6.7%
2008	1,651,709	59,153,111	35,813	4.6%
2007	1,615,210	56,084,995	34,723	4.1%
2006	1,573,935	52,734,413	33,505	4.7%

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Largest Employers Employer	2016 (1)		2015 (2)		2014 (3)		2013 (4)		2012 (5)		2011 (6)		2010 (7)		2009 (8)		2008 (9)		2007 (10)		
	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	
Lackland AFB	37,097	3.4%	37,097	3.4%	37,097	3.7%	37,097	3.7%	37,097	3.7%	37,097	4.0%	28,100	3.1%	28,100	2.8%	33,893	4.0%	23,227	2.8%	
Fort Sam Houston - US Army	32,000	2.9%	32,000	2.9%	32,000	3.2%	32,000	3.2%	32,000	3.2%	32,000	3.4%	30,793	3.4%	30,793	3.1%	15,200	1.8%	11,735	1.4%	
HEB Food Stores	20,000	1.8%	20,000	1.8%	20,000	2.0%	20,000	2.0%	14,588	1.5%	14,588	1.6%	14,588	1.6%	14,588	1.5%	14,588	1.7%	14,588	1.8%	
USAA	17,000	1.6%	17,000	1.5%	16,000	1.6%	17,000	1.7%	15,000	1.5%	14,832	1.6%	14,852	1.6%	14,852	1.5%	14,852	1.7%	14,258	1.7%	
Northside ISD	12,751	1.2%	12,751	1.2%	12,751	1.3%	12,751	1.3%	12,751	1.3%	13,300	1.4%	12,597	1.4%	12,597	1.3%	12,810	1.5%	12,701	1.5%	
Randolph AFB	11,068	1.0%	11,068	1.0%	11,068	1.1%	11,068	1.1%	11,068	1.1%	11,068	1.2%	10,700	1.2%	10,700	1.0%	10,733	1.3%	7,506	0.9%	
Northeast ISD	10,052	0.9%	10,052	0.9%	10,052	1.0%	10,522	1.1%	10,522	1.1%	10,522	1.1%	10,223	1.1%	10,223	1.0%	8,360	1.0%	7,557	0.9%	
City of San Antonio	9,145	0.8%	9,145	0.8%	9,145	0.9%	11,731	1.2%	9,145	0.9%	9,145	0.9%	9,000	1.0%	10,687	1.0%	9,830	1.1%	11,239	1.3%	
Methodist Healthcare System	8,118	0.7%	8,118	0.7%	8,118	0.8%	8,000	0.8%	7,747	0.8%	7,500	0.8%	7,013	0.8%	7,391	0.8%	7,013	0.8%	6,520	0.8%	
San Antonio ISD	7,000	0.6%			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	0.8%			
Baptist Health System			6,498	0.6%	7,205	0.7%															
AT & T, Inc.																				5,611	0.7%
Total Employment	164,231	14.9%	163,729	14.8%	170,436	17.0%	167,543	16.8%	156,918	15.8%	157,633	16.8%	145,447	16.0%	147,356	14.8%	135,279	15.7%	114,942	13.8%	

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

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

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

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

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

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

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

(8) 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)

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

(10) Source: City of San Antonio Planning Office

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2016**	2015**	2014**	2013 **	2012 **	2011 **	2010 **	2009 +	2008 +	2007 +
Faculty										
Full-time	962	928	916	750	1,004	1,039	1,027	1,049	1,024	1,052
Part-time	1,772	1,556	1,633	1,848	1,482	1,710	1,599	2,957	2,865	3,011
Total	2,734	2,484	2,549	2,598	2,486	2,749	2,626	4,006	3,889	4,063
Percent										
Full-time	35.19%	37.36%	35.94%	28.87%	40.39%	37.80%	39.11%	26.19%	26.33%	25.89%
Part-time	64.81%	62.64%	64.06%	71.13%	59.61%	62.20%	60.89%	73.81%	73.67%	74.11%
Staff and Administrators										
Full-time	1,808	1,715	1,649	1,479	1,532	1,710	1,721	1,823	1,763	1,814
Part-time	1,682	1,437	1,077	660	921	978	1,165	888	887	930
Total	3,490	3,152	2,726	2,139	2,453	2,688	2,886	2,711	2,650	2,744
Percent										
Full-time	51.81%	54.41%	60.49%	69.14%	62.45%	63.62%	59.63%	67.24%	66.53%	66.11%
Part-time	48.19%	45.59%	39.51%	30.86%	37.55%	36.38%	40.37%	32.76%	33.47%	33.89%
FTSE *										
	35,771	35,586	36,031	36,849	39,131	39,162	41,077	36,254	34,173	33,531
FTSE per full-time faculty	37.2	38.3	39.3	49.1	39.0	37.7	40.0	34.6	33.4	31.9
FTSE per full-time staff member	19.8	20.7	21.9	24.9	25.5	22.9	23.9	19.9	19.4	18.5
Average annual full-time faculty salary	\$ 51,316	\$ 52,370	\$ 54,778	\$ 66,680	\$ 54,178	\$ 57,537	\$ 60,929	\$ 54,121	\$ 52,939	\$ 51,240

Faculty - FT (full-time) faculty teaching 12 or more semester hours

Faculty - PT (part-time) faculty teaching less than 12 semester hours

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

**Unduplicated Headcount - Prepared by Human Resources Department

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Student Classification	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
00 - 30	30,512	59.1%	28,592	57.3%	29,668	58.1%	30,492	58.2%	34,649	60.5%	35,513	60.4%	35,281	60.2%	31,042	59.3%	28,906	58.0%	28,458	58.0%
31 - 60	14,704	28.5%	14,543	29.2%	14,815	29.0%	15,092	28.8%	21,307	37.2%	21,593	36.7%	16,056	27.4%	14,657	28.0%	14,597	29.0%	14,479	29.0%
Unclassified	3,898	7.5%	4,275	8.6%	5,015	9.8%	5,258	10.0%	-	0.0%	-	0.0%	7,292	12.4%	6,595	12.6%	6,504	13.0%	6,505	13.0%
>60 hours*	2,519	4.9%	2,478	5.0%	1,603	3.1%	1,512	2.9%	1,330	2.3%	1,691	2.9%	9	0.0%	12	0.0%	22	0.0%	46	0.0%
Total	51,633	100.0%	49,888	100.0%	51,101	100.0%	52,354	100.0%	57,286	100.0%	58,797	100.0%	58,638	100.0%	52,306	100.0%	50,029	100.0%	49,488	100.0%

Source: THECB Prep Online

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less Than 3	1,614	3.1%	1,101	2.2%	304	0.6%	485	0.9%	569	1.0%	785	1.3%	529	0.9%	323	0.6%	271	0.5%	270	0.5%
3 - 5 semester hours	10,948	21.2%	10,416	20.9%	11,145	21.8%	11,877	22.7%	12,425	21.7%	11,148	19.0%	11,595	19.8%	10,677	20.4%	9,239	18.5%	8,601	17.4%
6 - 8 semester hours	15,196	29.4%	14,215	28.5%	14,707	28.8%	15,018	28.7%	16,610	29.0%	16,023	27.3%	17,064	29.1%	15,120	28.9%	14,386	28.8%	14,183	28.7%
9 - 11 semester hours	9,611	18.6%	9,345	18.7%	9,675	18.9%	9,795	18.7%	11,084	19.3%	10,565	18.0%	10,472	17.9%	9,097	17.4%	8,864	17.7%	8,651	17.5%
12 - 14 semester hours	12,164	23.6%	12,787	25.6%	12,994	25.4%	12,952	24.7%	14,416	25.2%	14,604	24.8%	16,761	28.6%	14,835	28.4%	14,863	29.7%	15,473	31.3%
15 - 17 semester hours	1,952	3.8%	1,850	3.7%	1,972	3.9%	1,988	3.8%	1,932	3.4%	3,817	6.5%	1,964	3.3%	2,000	3.8%	2,160	4.3%	2,040	4.1%
18 and over semester hours	148	0.3%	174	0.3%	304	0.6%	239	0.5%	250	0.4%	1,855	3.2%	253	0.4%	254	0.5%	246	0.5%	270	0.5%
Total	51,633	100.0%	49,888	100.0%	51,101	100.0%	52,354	100.0%	57,286	100.0%	58,797	100.0%	58,638	100.0%	52,306	100.0%	50,029	100.0%	49,488	100.0%

Average course load

8.0 hrs	8.2 hrs	8.3 hrs	8.2 hrs	8.2 hrs	8.9 hrs	8.5 hrs	8.5 hrs	8.7 hrs	8.8 hrs
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Source: CBM001

Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Texas resident- In District	41,425	80%	39,929	80%	41,007	80%	42,828	82%	47,567	83%	49,261	84%	48,787	83%	43,116	82%	41,741	83%	41,628	84%
Texas resident- Out of District	6,825	13%	6,536	13%	6,591	13%	6,211	12%	7,631	13%	7,515	13%	7,939	14%	7,295	14%	6,544	13%	6,431	13%
Non-resident tuition	1,292	3%	1,242	2%	1,146	2%	1,284	2%	1,312	2%	1,284	2%	1,096	2%	1,137	2%	1,013	2%	811	2%
Tuition exemption	1,165	2%	1,337	3%	1,541	3%	1,198	2%	-	0%	3	0%	79	0%	165	0%	142	0%	96	0%
Foreign	926	2%	844	2%	816	2%	833	2%	776	1%	734	1%	737	1%	593	1%	589	1%	522	1%
Total	51,633	100.0%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

Source: CBM001

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Female	29,433	57%	28,342	57%	29,210	57%	30,003	57%	32,844	57%	33,670	57%	33,607	57%	30,386	58%	29,341	59%	29,350	59%
Male	22,200	43%	21,546	43%	21,891	43%	22,351	43%	24,442	43%	25,127	43%	25,031	43%	21,920	42%	20,688	41%	20,138	41%
Total	51,633	100%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Multi-Racial	-	0%	-	0%	878	2%	1,382	3%	1,088	2%	750	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
White	12,889	25%	13,507	27%	14,157	28%	15,166	29%	18,423	32%	20,349	35%	23,327	40%	20,202	39%	19,753	39%	19,725	40%
Hispanic	31,980	62%	29,180	58%	30,030	59%	30,679	59%	31,712	55%	30,371	52%	28,943	49%	26,357	50%	24,956	50%	24,585	50%
African-American	3,935	8%	3,825	8%	3,875	8%	3,263	6%	3,757	7%	3,860	7%	4,147	7%	3,717	7%	3,453	7%	3,352	7%
Asian	1,382	3%	1,388	3%	1,271	2%	1,244	2%	1,429	2%	1,457	2%	1,621	3%	1,414	3%	1,314	3%	1,248	3%
Foreign	331	1%	249	0%	236	0%	190	0%	324	1%	47	0%	357	1%	408	1%	342	1%	389	1%
Native American	-	0%	-	0%	127	0%	132	0%	182	0%	177	0%	243	0%	208	0%	211	0%	189	0%
Native Hawaiian/Other Pacific Islander	-	0%	-	0%	83	0%	89	0%	-	0%	-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ethnic Origin/Race unknown	1,116	2%	1,739	3%	444	1%	209	0%	371	1%	1,786	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	51,633	100%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 18	10,343	20%	8,613	17%	8,767	17%	8,809	17%	9,451	16%	9,079	15%	8,584	15%	7,398	14%	6,278	13%	5,323	11%
18-21	20,560	40%	20,067	40%	20,236	40%	20,212	39%	21,472	37%	22,219	38%	22,330	38%	20,514	39%	19,539	39%	19,348	39%
22-24	6,758	13%	6,724	13%	6,769	13%	6,876	13%	7,639	13%	7,735	13%	8,114	14%	7,257	14%	7,338	15%	7,246	15%
25-35	5,885	11%	9,653	19%	9,960	19%	10,630	20%	12,165	21%	13,044	22%	12,931	22%	11,300	22%	11,068	22%	11,482	23%
36-50	3,164	6%	3,943	8%	4,361	9%	4,770	9%	5,433	9%	5,618	10%	5,668	10%	4,934	9%	4,901	10%	5,131	10%
51 and over	4,923	10%	888	2%	1,008	2%	1,057	2%	1,126	2%	1,102	2%	1,011	2%	903	2%	905	2%	956	2%
Unknown	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Total	51,633	100%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

Average age	23.1	23.6	23.8	23.7	24.2	24.3	24.3	24.2	24.4	24.8
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Source: CBM001 and THECB Prep Online.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 17 Transfer Students to Senior Institutions Fall 2014 Students (Unaudited)

Institutions Attended, Fall 2014		Academic	Technical	Tech-Prep	Total	% Students
1	The University of Texas at San Antonio	4,277	233	66	4,576	35.8%
2	Texas A&M University - San Antonio	2,295	181	102	2,578	20.2%
3	Texas State University - San Marcos	1,228	37	36	1,301	10.2%
4	Texas A&M University	947	50	17	1,014	7.9%
5	The University of Texas at Austin	784	26	13	823	6.4%
6	Texas Tech University	566	28	4	598	4.7%
7	The University of Texas Health Science Center at San Antonio	253	40	2	295	2.3%
8	Texas A&M University - Corpus Christi	258	13	2	273	2.1%
9	University of North Texas	120	5	3	128	1.0%
10	The University of Texas at Arlington	90	27	1	118	0.9%
11	University of Houston	92	4	7	103	0.8%
12	Sam Houston State University	70	5	-	75	0.6%
13	Tarleton State University	71	4	-	75	0.6%
14	The University of Texas at Dallas	62	7	2	71	0.6%
15	Texas Tech University Health Sciences Center	35	34	-	69	0.5%
16	Texas A&M University - Kingsville	58	6	2	66	0.5%
17	Angelo State University	61	1	1	63	0.5%
18	University of Houston - Victoria	42	7	1	50	0.4%
19	West Texas A&M University	33	5	1	39	0.3%
20	Texas Woman's University	33	5	-	38	0.3%
21	The University of Texas at El Paso	33	3	1	37	0.3%
22	Stephen F. Austin State University	34	-	1	35	0.3%
23	Prairie View A&M University	34	-	-	34	0.3%
24	The University of Texas of the Permian Basin	33	1	-	34	0.3%
25	The University of Texas - Pan American	26	5	1	32	0.3%
26	Texas A&M University at Galveston	27	-	-	27	0.2%
27	Lamar University	20	3	2	25	0.2%
28	University of Houston - Downtown	21	1	1	23	0.2%
29	The University of Texas at Tyler	19	2	-	21	0.2%
30	Sul Ross State University	19	1	-	20	0.2%
31	Texas Southern University	17	1	-	18	0.1%
32	The University of Texas Medical Branch at Galveston	13	3	-	16	0.1%
33	Texas A&M University System Health Science Center	8	7	-	15	0.1%
34	Texas A&M International University	11	3	-	14	0.1%
35	Texas A&M University - Commerce	10	2	-	12	0.1%
36	Midwestern State University	9	2	-	11	0.1%
37	University of Houston - Clear Lake	9	1	-	10	0.1%
38	The University of Texas at Brownsville	5	2	1	8	0.1%
39	Texas A&M University - Central Texas	4	1	2	7	0.1%
40	Sul Ross State University - Rio Grande College	3	1	-	4	0.0%
41	The University of Texas Health Science Center at Houston	3	-	-	3	0.0%
42	University of North Texas Health Science Center	3	-	-	3	0.0%
43	The University of Texas M.D. Anderson Cancer Center	-	2	-	2	0.0%
44	The University of Texas Southwestern Medical Center	1	-	-	1	0.0%
Total		11,737	759	269	12,765	100.0%

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Academic building equivalent (teaching spaces only)	53.2	53.1	53.1	52.1	52.1	52.1	52.1	44.1	37.1	37.1
Square footage	2,226	2,213	2,201	2,199	2,199	2,199	2,199	2,193	1,614	1,614
Library building equivalent	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	1.4
Square footage	278	278	278	278	278	278	278	277	256	204
Dining facilities	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	0.7	0.7
Square footage	63	63	63	63	63	63	63	63	58	46
Student support and office space building equivalent	41.7	41.7	41.7	41.7	41.7	41.7	41.7	41.7	39.7	39.7
Colleges - square footage	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,034	955	761
District support operations - square footage	102	102	102	102	102	102	102	102	94	76
Plant facilities	18.4	18.4	18.4	18.4	18.4	18.4	16.4	15.4	11.4	11.4
Square footage	98	98	98	98	98	98	98	88	84	47
Parking garages	3.0	3.0	3.0	2.0	1.0	1.0	1.0	1.0	1.0	-
Square footage	974	974	974	645	395	395	395	395	395	-
Portable buildings	65.0	65.0	65.0	65.0	65.0	65.0	63.0	49.0	40.0	40.0
Square footage	104	104	104	104	104	104	104	101	75	63
Athletic facilities - building equivalent	4.6	4.6	4.8	4.8	4.8	4.8	4.8	3.8	3.8	3.8
Square footage	245	245	245	245	245	245	245	244	226	180
Fitness centers	8	8	8	8	8	7	6	5	4	4
Tennis courts	18	18	18	18	18	18	18	18	18	18
Swimming pools	3	3	3	3	3	3	3	3	3	3
Soccer fields	1	1	1	1	1	1	1	-	-	-
Fitness trails	2	2	2	2	2	2	2	-	-	-
Putting green	1	1	1	1	1	1	1	-	-	-
Rock climbing wall	2	2	2	2	1	1	1	-	-	-
Ropes course	1	1	1	1	1	-	-	-	-	-
University Center	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Square footage	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8
Leased space	9.7	9.7	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Square footage	124	124	124	124	124	124	124	124	124	124
Total Count	201	201	200	197	196	196	192	168	145	143
Total square footage (in thousands)	5,323	5,311	5,299	4,969	4,718	4,718	4,718	4,694	3,954	3,188
Transportation										
Cars	58	50	44	38	33	34	40	43	40	41
Trucks/vans	84	79	78	77	77	76	78	80	70	63
Buses	3	3	2	2	2	2	2	2	2	2
Electric cars	2	7	7	7	7	7	7	2	-	-
Electric vehicle charging stations	16	16	16	-	-	-	-	-	-	-
ADA parking spots	582	529	529	511	503	489	479	464	401	317
Non ADA parking spots	16,241	15,696	15,696	15,562	15,264	14,716	14,309	14,015	13,697	8,944

Source: Alamo Colleges Facilities Department

Single Audit Section



ALAMO
COLLEGES



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

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Management and Board of Trustees
Alamo Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively the District), as of and for the year ended August 31, 2016, and the related notes to the financial statements, which comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2016.

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

Internal control over financial reporting

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

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

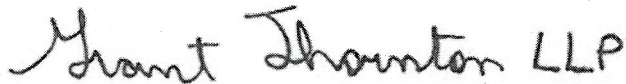
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and other matters

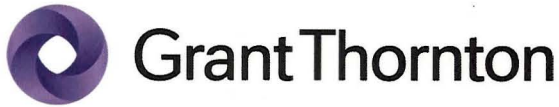
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Intended purpose

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



San Antonio, TX
December 13, 2016



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

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Management and Board of Trustees
Alamo Community College District
San Antonio, Texas

Report on compliance for each major federal program

We have audited the compliance of Alamo Community College District comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively the District), with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

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

Auditor's responsibility

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

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

Opinion on each major federal program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2016.

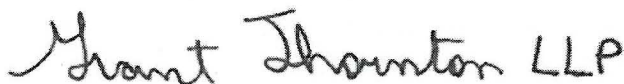
Report on internal control over compliance

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

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

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

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



San Antonio, Texas
December 13, 2016

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

Schedule of Federal Findings and Questioned Costs
 Year Ended August 31, 2016

Section I - Summary of Auditor's Results

Financial Statements Section

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

	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ X _____ No	
Significant deficiency(ies) identified?	_____ Yes	_____ X _____ None reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ X _____ No	

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) 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 2 CFR 200.516(a)?	_____ Yes	_____ X _____ No	

Identification of major state programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.002	Adult Education- Basic Grants to States
84.048	Career and Technical Education - Basic Grants to States

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

\$ 3,000,000

Auditee qualified as low-risk auditee? _____ **Yes** _____ **X** _____ **No**

Section II - Financial Statement Findings

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2016.

Section III - Federal Award Findings and Questioned Costs

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2016.

ALAMO COMMUNITY COLLEGE DISTRICT
Summary Schedule of Prior Year Audit Findings - Federal
Year Ended August 31, 2016

Section III – Federal Award Findings and Questioned Costs

Criteria/Specific Requirement	Finding Number	Status	Management's Response
Special Tests and Provisions – Activities Allowed or Unallowed/ Eligibility	15-F01	Corrected	During October 2015, key personnel attended training sessions provided by the Texas Workforce Commission (TWC) and the Education Service Center Region 20 (ESC-20). Following this grantor specific training, Alamo Colleges retrained grant staff on procedures, documentation, internal control and monitoring. Alamo Colleges is confident that the updated procedures and the strengthened internal control ensures that proper records are kept for eligible students/participants.



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

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Management and Board of Trustees
Alamo Community College District
San Antonio, Texas

Report on compliance for each major state program

We have audited the compliance of Alamo Community College District comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively the District), with the types of compliance requirements described in the Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular that could have a direct and material effect on each of its major state programs for the year ended August 31, 2016. The District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

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

Auditor's responsibility

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

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

Opinion on each major state program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2016.

Report on internal control over compliance

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

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

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

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



San Antonio, Texas
December 13, 2016

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, 2016

Section I - Summary of Auditor's Results

Financial Statements Section

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

	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	Yes	X	No
Significant deficiency(ies) identified?	Yes	X	None reported
Noncompliance material to financial statements noted?	Yes	X	No

State Awards Section

Internal control over major federal programs:

Material weakness(es) identified?	Yes	X	No
Significant deficiency(ies) 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 Grants Management Standards?	Yes	X	No

Identification of major state programs:

<u>Grant Award Number(s) / State Identifying Number</u>	<u>Name of Federal Program or Cluster</u>
None available	Texas Equalization Opportunity Grant
15137	Texas - Science, Technology, Engineering, and Math
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	X Yes

Section II - Financial Statement Findings

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2016.

Section III - State Award Findings and Questioned Costs

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2016.



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Comprehensive Annual Financial Report
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