



ALAMO  
COLLEGES  
DISTRICT



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

ALAMO COMMUNITY COLLEGE DISTRICT

SAN ANTONIO, TEXAS

NORTHEAST LAKEVIEW COLLEGE

NORTHWEST VISTA COLLEGE

PALO ALTO COLLEGE

ST. PHILIP'S COLLEGE

SAN ANTONIO COLLEGE

# **ALAMO COMMUNITY COLLEGE DISTRICT**

**San Antonio, Texas**

## **Comprehensive Annual Financial Report**

**For the Years Ended  
August 31, 2019 and 2018**

**Prepared by:**

**Finance and Fiscal Services Department**



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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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ALAMO  
COLLEGES  
DISTRICT

## **Introductory Section**



ALAMO  
COLLEGES  
DISTRICT



December 10, 2019

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

We are proud to submit the following comprehensive annual financial report (CAFR) for the Alamo Community College District (Alamo Colleges District or District) for the fiscal years ended August 31, 2019 and 2018. The CAFR has been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In 2019, the Board of Trustees of the Alamo Colleges District affirmed the selection of the independent accounting firm of Grant Thornton to perform the annual audit. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Uniform Guidance and State of Texas Uniform Grant Management Standards. The auditor's report related specifically to the single audit is included in the Single Audit Section of this CAFR.

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

## **Profile**

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

In Fall 2014, the Board of Trustees welcomed the inclusion of a Student Trustee member to serve as a non-voting student liaison to the Board of Trustees and Chancellor. The Student Trustee is selected from one of the five colleges by the elected Board members and serves for a one-year term.

The Alamo Colleges District, a comprehensive two-year system, is dedicated to providing quality education and workforce training to the people of Bexar and surrounding counties. The five colleges:

- San Antonio College (founded in 1925),
- St. Philip's College (founded in 1898),
- Palo Alto College (founded in 1983),
- Northeast Lakeview College (founded in 2007), and
- Northwest Vista College (founded in 1995)

support the education and lifelong learning needs of a multicultural community by providing associates degrees, certificates, pre-majors/transfer programs, continuing education, and community services. The 300+ programs are arranged in six Institutes, known as the AlamoINSTITUTES, by career choices: Creative & Communication Arts, Business &

Entrepreneurship, Health & Biosciences, Advanced Manufacturing & Logistics, Public Services and Science & Technology. The Institutes have clear roadmaps to guide each student efficiently and effectively from his/her point of entry to attainment of high-quality post-secondary credentials and/or a career.

Students are taught by highly qualified faculty with Master's and Doctorate degrees who are 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. A certified advisor works closely with each student to ensure each course taken can be counted toward the student's goal, and that completion of degrees and/or certificates can be accomplished most effectively and efficiently.

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

### **Economic Conditions and Outlook**

The Alamo Colleges District operates in the strong economic area of San Antonio, Bexar County and surrounding counties. San Antonio is the nation's seventh-largest city with a population over 1.5 million and is projected to add 1.1 million new residents by 2040. San Antonio has a dynamic economy rapidly expanding from traditional military and service sectors into telecommunications, biomedical science, information technology, data security and advanced manufacturing. The Alamo Colleges District has been an integral part of the Greater San Antonio community for more than 100 years, contributing significantly to the economic and social well-being of those who share this community with the District. Due to the quality of its workforce training and the success of its graduates, approximately 51% of students enrolled in post-secondary education in San Antonio attend one of the Alamo Colleges.



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

- The trend of rising ad valorem tax revenues continued as revenues from ad valorem taxes increased by 7.0% in 2019 as net assessed property values of the District increased from approximately \$151.8 billion in 2018 to \$162.5 billion in 2019, providing funding for facilities' repairs and maintenance. The pattern of predictable and increasing property values and ad valorem tax collections relieves pressure to increase the tax rate for the District's constituents. There was no increase in the District's tax rate for fiscal year 2019.
- State appropriations, which are critical to keeping student tuition rates low, decreased in 2019 but are expected to increase in 2020 due to actions by the 86<sup>th</sup> Texas Legislature. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement, core operations funding and student success outcomes. For fiscal year 2019, the State only provided 24% of instructional costs, down from 75% in fiscal years 2008-2009 and provided no funding for growth.
- Tuition and fee rates increased \$13 per semester credit hour, effective Spring 2019. This was the first rate increase since Spring 2016 and only the second increase since 2011. The student activity fee increased from \$1 per credit hour to \$3 per credit hour in Fall 2018. Student activity fees are used to support various student initiatives including leadership, clubs, organizations, sports, fitness and other events.

## Strategic and Long-Term Financial Planning

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

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

## Major Initiatives

The District and its partners are committed to ending poverty, enhancing economic and social mobility and meeting workforce demands in our city by joining forces to help more students complete college and obtain the necessary skills to hold high-wage, high-demand jobs. The AlamoPROMISE program, which will be available to high school seniors graduating in 2020, ensures that tuition and mandatory fees are covered for students who graduate from participating high schools. Over 5,000 high school seniors have already completed a “Save Your Seat” pledge, and enrollments at the Alamo Colleges District are expected to achieve double-digit growth within the first five years of the program. As a last-dollar funding source, AlamoPROMISE covers the gap between financial aid and the cost of tuition for up to three years. The AlamoPROMISE eliminates financial barriers to higher education, making a college degree a reality.



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

## Awards and Acknowledgments

The Alamo Colleges District continues to be recognized both locally and nationally as a leader in higher education. On November 15, 2018, U.S. Commerce Secretary Wilbur Ross named the Alamo Colleges District a 2018 recipient of the Malcolm Baldrige National Quality Award (MBNQA), marking a significant milestone in the District’s ongoing journey to achieve the highest level of student success and performance excellence. A Presidential award, the Baldrige Award is the highest level of national recognition that a U.S. organization can receive for performance excellence in innovation, efficiency, and leadership. The Alamo Colleges District is the first community college system to achieve this level of recognition in the history of the program.



The Alamo Colleges District has also earned numerous awards in the areas of procurement and finance. For the eighth consecutive year, the District was awarded the National Achievement of Excellence in Procurement Award from the *National Procurement Institute*. In addition, the Alamo Colleges District is one of four community colleges in Texas awarded the Certificate of Distinction by the *Government Treasurers' Organization of Texas* (GTOT) for its investment policy.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alamo Colleges District for its comprehensive annual financial report for the fiscal year ended August 31, 2018. This was the tenth consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. 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.

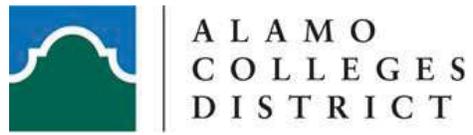
The timely preparation of this financial report was made possible by the continued dedication and service of the staff of the Alamo Colleges District. The staff thanks the members of the Board of Trustees for their support and guidance in conducting the financial operations of the Alamo Colleges District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

Dr. Diane Snyder  
Digitally signed by Dr. Diane Snyder  
Date: 2019.12.11 19:06:26 -06'00'

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

Pamela K. Ansboury  
Digitally signed by Pamela K. Ansboury  
Date: 2019.12.12 08:23:03 -06'00'

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



## ALAMO COMMUNITY COLLEGE DISTRICT

### ORGANIZATIONAL DATA

August 31, 2019

#### ELECTED OFFICIALS

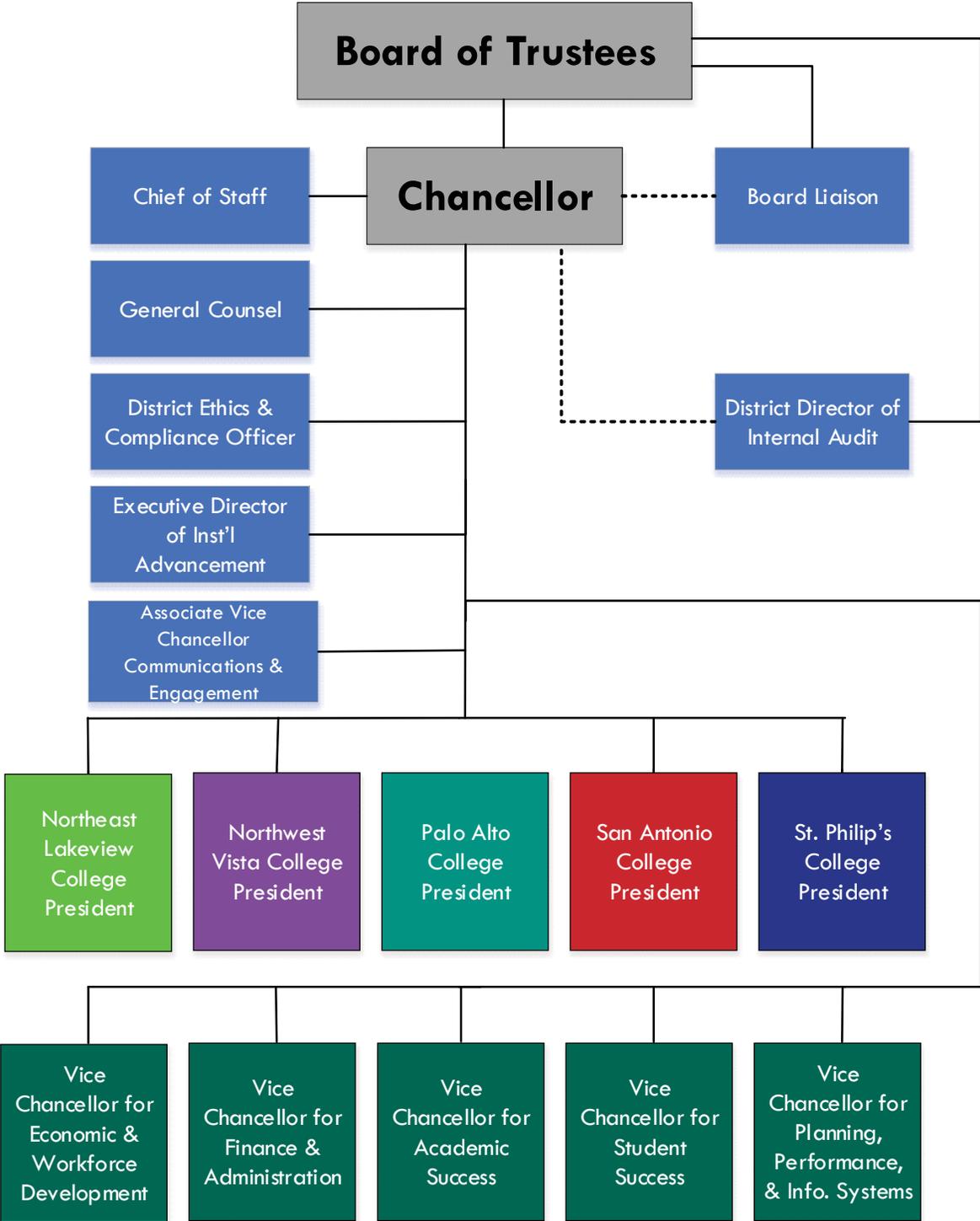
Member	Position	City, State	Term Expires
Marcelo Casillas	Chairperson	San Antonio, Texas	2020
Joe Alderete, Jr.	Vice-Chairperson	San Antonio, Texas	2022
Anna Uriegas Bustamante	Secretary	San Antonio, Texas	2022
Joe Jesse Sanchez	Assistant Secretary	San Antonio, Texas	2020
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2024
Jose A. Macias, Jr.	Member of the Board	Converse, Texas	2020
Clint Kingsbery	Member of the Board	San Antonio, Texas	2020
Dr. Yvonne Katz	Member of the Board	San Antonio, Texas	2024
Roberto Zarate	Member of the Board	San Antonio, Texas	2024
Alejandra Gomez	Student Trustee	San Antonio, Texas	*

\*Appointed by Board for 1 year term; Non-voting member

#### ADMINISTRATIVE OFFICIALS

Dr. Mike Flores	Chancellor
Dr. Diane E. Snyder, CPA	Vice Chancellor for Finance and Administration
Robert McKinley	Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Information Systems
Dr. George Railey Jr.	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Sheila Marlow Due	Executive Director of Institutional Advancement
Dr. Veronica Garcia	President, Northeast Lakeview College
Dr. Ric Neal Baser	President, Northwest Vista College
Dr. Robert Garza	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Vela	President, San Antonio College
Pamela Ansbury, CPA, M.Ed.	Associate Vice Chancellor for Finance and Fiscal Services
Patrick F. Vrba, Jr., CPA	District Controller
William G. Wullenjohn, Sr.	District Director of Internal Audit

**ALAMO COMMUNITY COLLEGE DISTRICT**



## ALAMO COMMUNITY COLLEGE DISTRICT

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

### MISSION

Empowering our diverse communities for success.

### VISION

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

### VALUES

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



STUDENTS FIRST



RESPECT FOR ALL



COMMUNITY-ENGAGED



CAN-DO SPIRIT



COLLABORATION



DATA-INFORMED



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

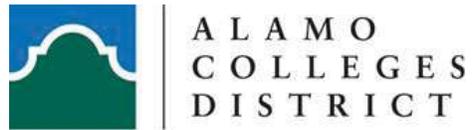
**Alamo Community  
College District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

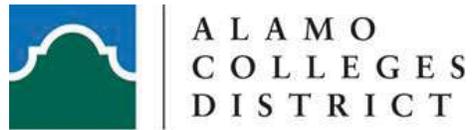
**August 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO



## **Financial Section**



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management and Board of Trustees  
Alamo Community College District

### Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Alamo Community College District (the "District"), which is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College, as of and for the years ended August 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audits. For the year ended August 31, 2019, we did not audit the financial statements of the ACCD Public Facility Corporation, which represents approximately 16%, 4%, and 1% of the assets, net position or net assets and revenues, respectively, of the aggregate discretely presented component units of the District. For the year ended August 31, 2018, we did not audit the financial statements of the Alamo Colleges Foundation, Inc. and the ACCD Public Facility Corporation, which represents approximately 100% of the assets, net position or net assets and revenues of the aggregate discretely presented component units of the District. 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 this component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of 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 opinions.

#### **Opinions**

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the District as of August 31, 2019 and 2018, and the respective 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 the Schedule of District's Proportionate Share of Net Pension Liability, Schedule of District Contributions for Pensions, Schedule of District's Proportionate Share of Net Other Post-Employment Benefits ("OPEB") Liability and Schedule of District Contributions for OPEB 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), the schedule of expenditures of state awards, as required by the State of Texas Uniform Grant Management Standards, and the Schedule of Operating Revenues, the Schedule of Operating Expenses by Object, the Schedule of Non-Operating Revenues and Expenses, and the Schedule of Net Position by Source and Availability, as required by the Texas Higher Education Coordinating Board ("THECB"), 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*

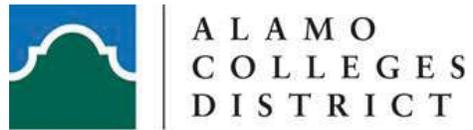
The introductory section, other information – by location and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied 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 10, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dallas, Texas  
December 10, 2019



## ALAMO COMMUNITY COLLEGE DISTRICT

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

Management's Discussion and Analysis (MD&A) is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (Alamo Colleges District, District or ACCD) for the fiscal year ended August 31, 2019. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

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

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2019; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the fiscal year. Highlighted information from each basic financial statement is presented below.

- Total assets increased \$14.1 million and total liabilities decreased \$6.4 million.
- The District's net position at August 31, 2019 was \$183.0 million, reflecting a \$46.2 million increase from the prior year.
- The District's operating loss was \$343.7 million.
- Cash and Cash Equivalents decreased \$42.8 million during the year ended August 31, 2019.
- The bond rating for the District's general obligations bonds is Aaa by Moody's Investors Service and AAA by S&P Global Ratings, the highest rating possible from both respective agencies.

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 (Notes 1 and 24). The separately issued financial statements of the Foundation can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

In fiscal year 2012, the Alamo Colleges District formed the ACCD Public Facility Corporation (the PFC) for the sole purpose of assisting the District in the financing or acquisition of public facilities. The PFC was incorporated on September 23, 2011 as a public non-profit corporation under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended.

In accordance with 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 25). The separately issued financial statements of the PFC can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

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

#### Statements of Net Position

The Statements of Net Position represent the District's financial position at the end of the fiscal year and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District. Net position is the difference

## ALAMO COMMUNITY COLLEGE DISTRICT

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

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, long-term investments and other assets not classified as current. Noncurrent liabilities include bonds and tax notes payable, net pension liability, net other post employment benefit (OPEB) 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, deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB. Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period. The District's deferred inflows of resources include deferred charges on bond refundings, deferred inflows of resources related to pensions and deferred inflows of resources related to OPEB arising from its participation in the defined benefit pension plan administered by the Teacher Retirement System of Texas (TRS) and the cost-sharing, multiple employer other postemployment benefit plan administered by the Employees Retirement System of Texas (ERS).

A Condensed Schedule of Net Position and analysis is presented on the following pages. In fiscal year 2019, total assets increased \$14.1 million due to an increase in net capital assets of \$40.1 million, reduction in cash of \$42.8 million and an increase in investments of \$16.2 million. Total assets increased 16.2% or \$154.0 million during fiscal year 2018. The increase was primarily the result of a \$135.5 million increase to cash and cash equivalents resulting from debt proceeds received but not spent as of year-end and a \$22.4 million increase to net capital assets, partially offset by a \$4.4 million total decrease to accounts and notes receivable and investments.

For fiscal year 2019, total liabilities decreased \$6.4 million. This was due to scheduled debt payments of \$49.3 million and amortization of bond premiums of \$3.8 million, offset by increases to the net pension liability of \$28.6 million and to the net OPEB liability of \$4.4 million. Unearned income increased \$9.5 million due to tuition and fee revenues and unspent state appropriations funds. Payables, construction retainage and other liabilities increased \$4.2 million.

The liability section of the District's Statements of Net Position was significantly impacted in 2018 by the implementation of GASB 75, which required the recording of a \$158.4 million net OPEB liability for the first time. Total liabilities increased \$274.4 million or 41.1% between fiscal years 2017 and 2018 when including the effect of implementing GASB 75. Excluding the effect of implementing GASB 75, total liabilities increased 17.4% or approximately \$116.0 million. This increase was attributable to a \$26.1 million increase to the current portion of noncurrent liabilities (not related to OPEB), which corresponded primarily to a \$95.0 million net increase to the noncurrent portion of bonds and tax notes payable, a \$2.7 million increase to accounts payable and accrued liabilities, a \$0.4 million increase to the liability for compensated absences, all partially offset by a \$5.5 million decrease to the net pension liability, a \$1.2 million decrease to unearned income and \$1.3 million decrease to notes payable.

In fiscal year 2019, deferred outflows of resources increased \$54.6 million due to increases to deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB of \$26.7 million and \$28.3 million, respectively. Deferred inflows of resources increased \$29.0 million primarily related to accounting for OPEB activity.

In fiscal year 2018, deferred outflows of resources and deferred inflows of resources increased by \$2.5 million and \$39.9 million, respectively, when including the effect of implementing GASB 75. Ignoring the effect of implementing GASB 75, deferred outflows of resources decreased by approximately \$2.0 million while deferred inflows of resources increased by approximately \$4.9 million during the year.

In fiscal year 2019, the District's net position increased by \$46.2 million or 33.7% due to a \$43.1 million increase to net investment in capital assets resulting mainly from tax revenues used to pay scheduled principal payments on debt.

The District's net position at August 31, 2018 was \$136.9 million compared to \$294.7 million at August 31, 2017. This decrease of \$157.8 million is primarily attributable to the restatement to beginning net position in 2018 of \$184.8 million as required by the implementation of GASB 75. Ignoring the effect of the restatement to beginning net position, the

## ALAMO COMMUNITY COLLEGE DISTRICT

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

District's net position increased by \$27.0 million resulting from increases of \$21.7 million and \$9.3 million in the net investment in capital assets and expendable components of net position, respectively; partially offset by a \$4 million decrease to the unrestricted component of net position not related to the GASB 75 implementation discussed previously.

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
<b>Assets</b>					
Cash and cash equivalents	\$ 180.2	\$ 223.0	\$ 87.5	\$ (42.8)	\$ 135.5
Accounts and notes receivable, net	10.7	9.5	11.7	1.3	(2.2)
Investments	133.6	117.4	119.7	16.2	(2.2)
Other	4.4	5.0	4.5	(0.6)	0.5
Capital assets	1,228.0	1,158.2	1,104.3	69.8	53.9
Accumulated depreciation	(438.0)	(408.3)	(376.9)	(29.7)	(31.4)
Total assets	<u>1,118.9</u>	<u>1,104.8</u>	<u>950.8</u>	<u>14.1</u>	<u>154.0</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to bond refundings	6.8	7.2	7.7	(0.4)	(0.4)
Deferred outflows related to OPEB	32.8	4.5	-	28.3	4.5
Deferred outflows related to pensions	38.6	11.9	13.5	26.7	(1.6)
Total deferred outflows of resources	<u>78.2</u>	<u>23.6</u>	<u>21.1</u>	<u>54.6</u>	<u>2.6</u>
<b>Liabilities</b>					
Current liabilities	108.6	113.0	84.6	(4.4)	28.4
Noncurrent liabilities	827.2	829.2	583.2	(2.0)	246.0
Total liabilities	<u>935.8</u>	<u>942.2</u>	<u>667.9</u>	<u>(6.4)</u>	<u>274.4</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to bond refundings	1.7	1.8	0.7	(0.1)	1.0
Deferred inflows related to OPEB	63.0	35.0	-	28.0	35.0
Deferred inflows related to pensions	13.6	12.6	8.7	1.1	3.9
Total deferred inflows of resources	<u>78.4</u>	<u>49.4</u>	<u>9.4</u>	<u>29.0</u>	<u>39.9</u>
<b>Net Position</b>					
Net investment in capital assets	318.7	275.6	253.8	43.1	21.7
Restricted (expendable)	20.3	19.8	10.5	0.5	9.3
Unrestricted	(156.0)	(158.6)	30.3	2.6	(188.9)
Total net position	<u>\$ 183.0</u>	<u>\$ 136.9</u>	<u>\$ 294.7</u>	<u>\$ 46.2</u>	<u>\$ (157.9)</u>
Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.					

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

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

A summarized comparison of the District's revenues, expenses and changes in net position for the years ended August 31, 2019, 2018 and 2017 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
<b>Operating revenues and expenses:</b>					
Operating revenues (detail in following sections)	\$ 89.9	\$ 86.1	\$ 93.9	\$ 3.8	\$ (7.9)
Operating expenses (detail in following sections)	433.6	432.0	412.3	1.6	19.7
Operating loss	(343.7)	(345.9)	(318.3)	2.2	(27.6)
<b>Non-operating revenues (expenses):</b>					
State appropriations	76.8	83.9	80.4	(7.2)	3.6
Ad valorem taxes	231.9	216.7	205.7	15.2	11.0
Federal and State grants, non-operating	97.5	91.0	82.9	6.5	8.1
Investment income	9.0	6.1	1.7	2.9	4.5
Interest on capital related debt & maintenance tax notes	(22.5)	(22.3)	(20.4)	(0.2)	(1.9)
Other non-operating expenses	(2.9)	(2.5)	(2.0)	(0.4)	(0.6)
Total non-operating revenues, net	389.9	373.0	348.3	16.9	24.7
<b>Increase in net position</b>	46.1	27.0	30.0	19.1	(3.0)
<b>Net position - beginning of year</b>	136.9	294.7	264.7	(157.8)	30.0
<b>Effect of change in accounting principle (Note 2)</b>	N/A <sup>1</sup>	(184.8)	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
<b>Net position - beginning of year, as restated for FY18</b>	N/A <sup>1</sup>	109.9	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
<b>Net position - end of year</b>	\$ 183.0	\$ 136.9	\$ 294.7	\$ 46.2	\$ (157.8)

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

<sup>1</sup>The restatement to beginning net position in fiscal year 2018 is not applicable to fiscal years 2019 and 2017.

#### Operating Revenues (in millions)

	2019		2018		2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2018 to 2019	2017 to 2018
Net tuition and fees	\$ 56.7	63.1%	\$ 54.9	63.8%	\$ 54.4	57.9%	\$ 1.8	\$ 0.5
Grants and contracts	21.6	24.1%	20.1	23.3%	30.5	32.4%	1.6	(10.4)
Auxiliary enterprises	5.1	5.7%	5.3	6.1%	4.9	5.2%	(0.1)	0.3
Other operating revenues	6.4	7.2%	5.9	6.8%	4.2	4.5%	0.6	1.7
<b>Total operating revenues</b>	<b>\$ 89.9</b>	<b>100.0%</b>	<b>\$ 86.1</b>	<b>100.0%</b>	<b>\$ 94.0</b>	<b>100.0%</b>	<b>\$ 3.8</b>	<b>\$ (7.9)</b>

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

As shown in the operating revenues table above, operating revenues for fiscal year 2019 increased \$3.8 million. The increase was attributable to a \$1.8 million increase to net tuition and fees as explained in further detail below; a \$1.6 million increase to operating grants and contracts related to differences in grant revenue collections from various grants

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

as reported on Schedule E and Schedule F; and a \$0.5 million net increase to auxiliary and other operating revenues related to increases of approximately \$100,000, \$137,000 and \$244,000 for veteran's administration revenues, conference fee revenues and dual-credit cost share revenues, respectively.

Total operating revenues decreased \$7.9 million, or 8.4%, during fiscal year 2018. The \$7.9 million decrease in 2018 is primarily related to a \$10.4 million decrease in revenue from operating grants and contracts partially offset by increases to net tuition and fees, auxiliary enterprise revenue and other operating revenues of \$0.5 million, \$0.3 million and \$1.7 million, respectively. The \$10.4 million decrease to operating grants and contracts was primarily due to decreased spending of approximately \$6.1 million for the multi-year Higher Education Institutional Aid grant; a \$1.3 million decrease in grant funds for the Texas Workforce Commission Skills Development grant; and a \$4.5 million decrease in combined local and federal funds related to funds received for construction of a Veteran's Center in fiscal year 2017 that were not received in fiscal year 2018.

Net non-operating revenues for fiscal year 2019 increased \$16.9 million. State appropriations decreased \$7.2 million. Appropriations totaling \$4.1 million received in 2019 for special projects were treated as unearned until they are spent, while changes in accounting for pension and OPEB plans contributed to the additional decline in reported State appropriations. There was a \$15.2 million increase in ad valorem tax revenues in 2019 due to increases in Bexar County property values. Year-round Federal Pell awards, an increase in the maximum Federal Pell award from \$5,920 to \$6,095, and increased allocations of Federal Supplemental Educational Opportunity Grants (FSEOG) and Federal Work-Study Program (FWS) funds contributed to the \$6.5 million increase in federal and state non-operating funds. A temporary increase in interest rates during 2019 contributed to the \$2.9 million increase in investment income.

Net non-operating revenues increased by \$24.7 million or 7.1% in 2018, primarily related to an \$11.0 million increase in ad valorem tax collections due to the continued rise of property values in Bexar County; an \$8.1 million increase in non-operating federal and state grants largely related to increased Pell Awards granted as a result of the expansion of the Federal Pell Program that allows for year-round Pell awards; a \$3.6 million increase in state appropriations, and a \$4.5 million increase from investment income and other non-operating revenues primarily resulting from interest earnings on unspent bond proceeds from the first tranche of the \$50 million voter-approved bond program. These increases were all partially offset by decreases of \$1.9 million and \$0.6 million for interest on capital-related debt and gifts, respectively.

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

	<b>2019</b>		<b>2018</b>		<b>2017</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
Tuition	\$ 126.2	94.2%	\$ 122.1	94.2%	\$ 117.6	93.7%
CE and contract training	2.4	1.8%	3.1	2.4%	2.5	2.0%
Fees	5.4	4.0%	4.4	3.4%	5.4	4.3%
<b>Total tuition and fees</b>	<b>\$ 134.0</b>	<b>100.0%</b>	<b>\$ 129.6</b>	<b>100.0%</b>	<b>\$ 125.5</b>	<b>100.0%</b>
<b>Waivers and financial aid as a % of total tuition and fees:</b>						
	<b>Amount</b>	<b>% of Total Tuition &amp; Fees</b>	<b>Amount</b>	<b>% of Total Tuition &amp; Fees</b>	<b>Amount</b>	<b>% of Total Tuition &amp; Fees</b>
Waivers and financial aid	\$ 77.3	57.7%	\$ 74.7	57.7%	\$ 71.2	56.7%

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 represented net of waivers and financial aid applicable to tuition and fees, referred to as discounts, as well as bad debt expenses. The table indicates

## ALAMO COMMUNITY COLLEGE DISTRICT

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

the sources of tuition and fees, as well as discounts. For 2019, tuition represents 94.2% of the total tuition and fee revenue, with fees related to continuing education and student services contributing 4.0% and the remaining 1.8% consisting of continuing education (CE) and contract training tuition.

In 2018, tuition represented 94.2% of total tuition and fee revenue, fees related to continuing education and student services such as processing and student activities contributed 3.4%, and the remaining 2.4% came from CE and contract training tuition.

Net tuition and fees increased \$1.8 million in fiscal year 2019 as a result of an approved tuition increase of \$13 per hour in the Spring semester, the first tuition rate increase since Spring 2016. Revenues from fees went up \$1.0 million due to an increase in the student activity fee from \$1 to \$3 per enrolled hour. Waivers and allowances increased \$2.6 million, mainly due to increases in federal aid awards of \$2.8 million, an increase in institutional aid awards of \$2.0 million and a decrease in TPEG awards of \$2.1 million. In fiscal year 2018, net tuition and fees remained flat, increasing by only \$0.5 million from fiscal year 2017.

The treatment of Federal Pell paid to students represents a tuition discount (financial aid) if the Federal Pell pays tuition and fees on an individual student's account, and represents scholarships if refunded to students to pay for other charges. Overall combined nonoperating federal and state student aid increased by \$6.5 million and \$8.1 million in 2019 and 2018, respectively.

Federal Pell grants disbursed to students increased by 4.1% in 2019. This is attributed to multiple factors including: 1) The Department of Education (DOE) mandated an increase in the maximum amount of Pell award that students can receive from \$5,920 in 2018 to \$6,095 in 2019; 2) expansion of Pell eligibility for students; and 3) increased participation in year-round Pell. FSEOG awards disbursed to students increased 99% from fiscal year 2018 to fiscal year 2019. The increase in FSEOG awards disbursed was a direct result of an increased allocation from the DOE. Because of the increased allocation, the District was able to increase FSEOG awards from \$800 to \$2000 per student. Federal Work-Study awards disbursed to students increased 121% from fiscal year 2018 to fiscal year 2019. The increase in FWS awards disbursed was due to several factors including: 1) an increase in the FWS allocation to the District; 2) Northeast Lakeview College (NLC) was newly accredited and able to fully utilize work-study students with FWS disbursements of \$267,000 compared to \$0 in the previous year; and 3) the overall count of District students participating in the FWS program increasing by 35%. The increased amounts of grants disbursed had a positive effect on students borrowing Federal Direct Loans, resulting in an 11% drop in the amount of funds borrowed by students across the District.

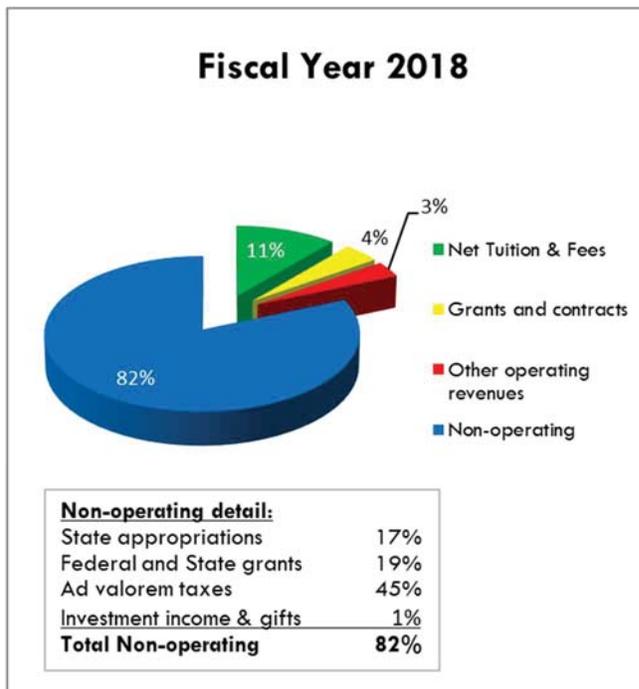
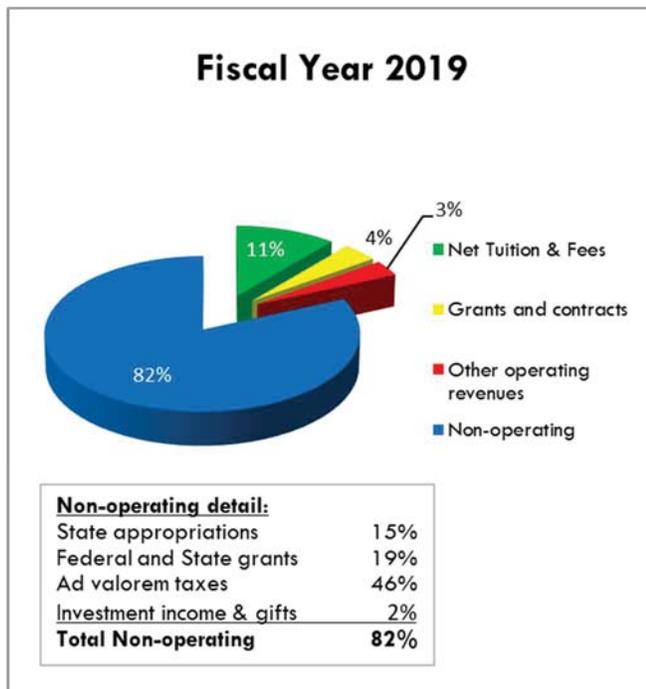
The fiscal year 2018 increase of \$8.1 million in overall combined nonoperating federal and state student aid is attributable to a change to the Federal Pell Grant Program that established implementation of year-round Pell Grants, allowing a student to receive up to 150% of the student's Federal Pell Grant Scheduled Award beginning with the 2017-2018 award year.

Following are charts showing the major sources of revenue for fiscal years 2019 and 2018, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 82% for both fiscal years 2019 and 2018. The primary components of non-operating revenues are state appropriations, federal and state grants and ad valorem taxes. The charts reflect the growth in ad valorem tax collections, attributable to increases in the property values within the District's constituency, and which account for 46% of total non-operating revenues in 2019 compared to 45% in 2018.

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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



Operating expenses are presented on the following pages for three years in both natural and functional classifications. Salaries and wages increased \$3.4 million or 1.8% from fiscal year 2018 to 2019 and increased \$5.1 million or 2.7% between 2017 and 2018. The \$3.4 million increase in 2019 is attributed to a full year impact of salary increases in the previous year and an increase in the allocation of Federal Work-Study Program funds as described above. The \$5.1 million increase in 2018 is attributable to an increase in the overall number of budgeted positions of 75 and an approved compensation adjustment which became effective January 1, 2018. The adjustment included average salary increases of 4.2%, 3.0% and 3.0% for faculty, staff and administrators, respectively, and was reflective across all natural and functional expense classifications.

For fiscal year 2019, expenses for benefits decreased \$0.4 million. The major items contributing to the decline was an increase in pension expense of \$7.3 million attributable to the change in the single discount rate from 8.000% to 6.907% offset by a reduction in health benefits expenses of \$8.0 million due to changes in assumptions and change in the discount rate. Expenses for benefits increased by \$5.8 million or 10.4% in 2018, which corresponds with the compensation adjustment that went into effect on January 1, 2018 as discussed previously. In addition, the implementation of GASB 75 modified accounting requirements for the recording of benefit payments made by the State of Texas on behalf of District employees for health care and life insurance benefits, which amounted to a net increase of approximately \$8.7 million, partially offset by a decrease in retirement benefits of approximately \$2.3 million.

Scholarships and fellowships expense represents the amount disbursed to a student after a scholarship award is credited to the student’s account after payment of tuition and fees. Scholarships and fellowships increased \$1.7 million in fiscal year 2019 mainly because of significant allocation increases in various federal programs described in the nonoperating section of revenues. Scholarships and fellowships were relatively flat in 2018, with an increase of \$0.5 million or 1.0%.

**ALAMO COMMUNITY COLLEGE DISTRICT**

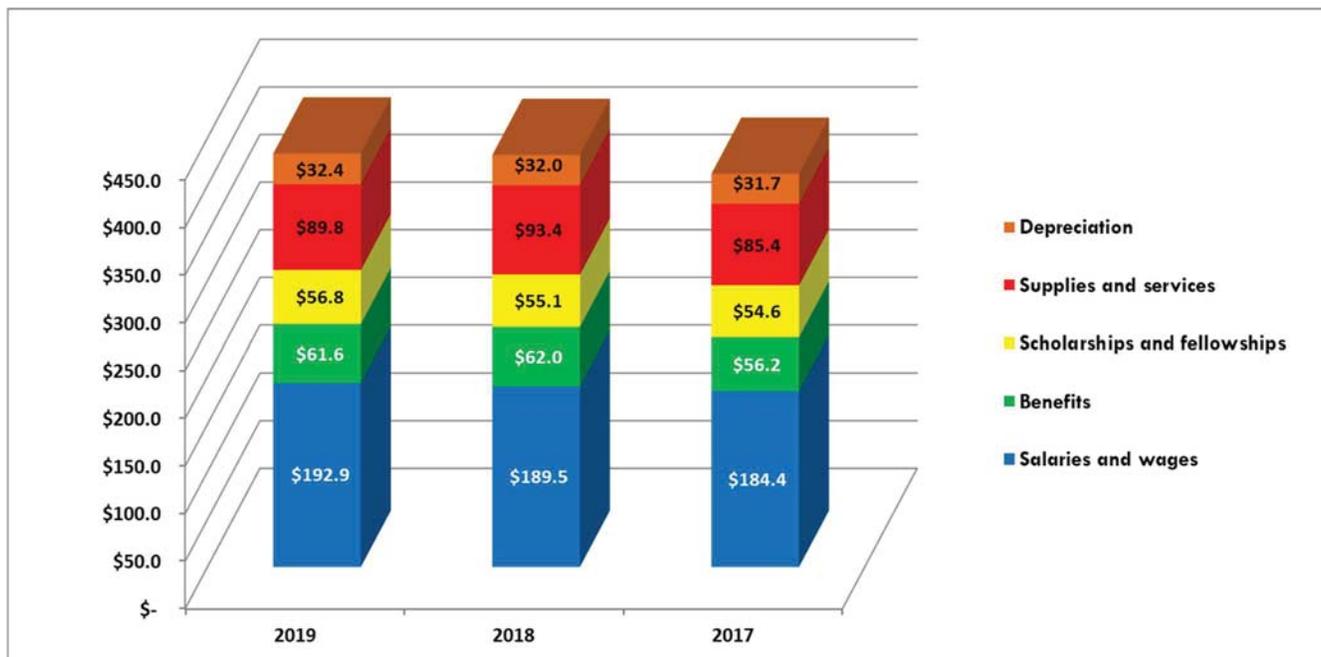
**Management’s Discussion and Analysis  
(Unaudited)**

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Salaries and wages	\$ 192.9	\$ 189.5	\$ 184.4	\$ 3.4	\$ 5.1
Benefits	61.6	62.0	56.2	(0.4)	5.8
Scholarships and fellowships	56.8	55.1	54.6	1.7	0.5
Supplies and services	89.8	93.4	85.4	(3.6)	8.0
Depreciation	32.4	32.0	31.7	0.4	0.3
<b>Total operating expenses</b>	<b>\$ 433.5</b>	<b>\$ 432.0</b>	<b>\$ 412.3</b>	<b>\$ 1.5</b>	<b>\$ 19.7</b>

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

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



**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Instruction	\$ 137.2	\$ 138.4	\$ 132.8	\$ (1.2)	\$ 5.7
Public service	1.5	1.4	1.3	0.1	0.1
Academic support	29.7	27.3	27.1	2.3	0.2
Student services	54.9	50.9	48.5	4.0	2.4
Institutional support	78.7	79.2	73.4	(0.6)	5.8
Operation and maintenance of plant	40.8	45.6	41.1	(4.8)	4.5
Depreciation	32.4	32.0	31.7	0.4	0.3
Scholarships and fellowships	56.8	55.1	54.6	1.7	0.5
Total educational and general expenses	432.0	429.9	410.5	1.9	19.5
Auxiliary enterprises	1.6	1.9	1.7	(0.3)	0.1
Total operating expenses	<u>\$ 433.6</u>	<u>\$ 432.0</u>	<u>\$ 412.3</u>	<u>\$ 1.6</u>	<u>\$ 19.7</u>

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

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

- Instruction includes expenses for all activities that are part of the District's instructional programs, such as faculty salaries and benefits. Instructional expenses decreased \$1.2 million in 2019. Benefits decreased \$0.5 million due to accounting for pension and OPEB benefits. Non-salary expenses decreased \$0.7 million due to one-time expenses in renovating and updating equipment and furniture in vocational technical programs. In 2018, instruction expense increased \$5.7 million or 4.3%. Of the \$5.7 million increase for 2018, \$4.7 million was attributable to increases in salaries and benefits for instructional personnel resulting from a compensation adjustment that included an average salary increase of 4.2% for faculty along with a corresponding increase to instructional employee benefits, with the remaining increase of approximately \$1 million due to additional costs for instructional supplies and services.
- Public service expenses include funds expended for activities that are established primarily to provide non-instructional services that benefit individuals and groups external to the District. In fiscal year 2019 and 2018, public service expenses remained flat, increasing by only \$0.1 million for both years.
- Academic support includes funds expended primarily to provide support services to the District's primary missions of instruction, research and public service. In fiscal year 2019, academic support expenses increased \$2.3 million. Contributing to the increase were 19 additional positions staffed in 2019 over 2018 even as budgeted total positions remained flat for both years. The District was also able to secure additional federal grant funding for the following projects: the Higher Education Institutional Aid grant provided an additional \$0.5 million for strengthening institutions and was utilized for lab supplies and lab salaries; an additional \$0.3 million was awarded for the Community Math Project: Building Math Proficiency to Strengthen Teacher Education through Collaborative Interventions grant; and an additional \$0.4 million of funding under a TRIO grant for the Edison Upward Bound Math and Science Project benefiting students.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

- The student services category includes funds expended for activities that primarily contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. In fiscal year 2019, student services expenses increased \$4.0 million attributable to 12 additional positions amounting to an additional \$1.2 million of expense; \$1.8 million in additional Federal Work-Study funding and related expense; and student activity fees were raised from \$1 to \$3 per hour, generating an additional \$1.0 million in student services expenditures. Expenses in the student services category increased \$2.4 million or 5.0% in fiscal year 2018, almost entirely attributable to increased salaries and benefits for student services employees of \$2.4 million, related to the 2018 compensation adjustment discussed previously.
- The institutional support category is primarily comprised of salaries and other operating expenses for central executive-level management that engage in long-range planning for the entire institution as well as other centralized support operations including accounting and fiscal affairs, procurement and safety, legal, information technology and human resources, among others. For fiscal year 2019, institutional support expense decreased \$0.6 million. A full year of salary increases awarded in January of 2018 coupled with 10 additional institutional support positions provided for an increase of \$1.1 million. This increase was offset by net reductions in various operating expenses totaling \$0.5 million including repairs, equipment and computer service charges, to name a few. Institutional support expenses increased by \$5.8 million or 7.9% in 2018 due to an increase for salaries and benefits of approximately \$3.2 million related to compensation adjustments mentioned previously and the hiring of 7 new DPS employees and 12 new human resources employees; along with a \$2.7 million increase in institutional support supplies and services including software and furniture and equipment purchases.
- The category of operation and maintenance of plant includes all expenses of current funds for the operation and maintenance of physical plant, net of amounts charged to auxiliary enterprises and other independent operations. In fiscal year 2019, operation and maintenance of plant expenses decreased \$4.8 million. This category benefited from a \$2 million increase in preventive maintenance funding, offset by a \$5.9 million increase in capitalizable expenses. Excluding capitalizable outlays, operation and maintenance expenses increased \$1.1 million to \$48.7 million in fiscal year 2019. During 2018, operation of maintenance and plant expenses increased by \$4.5 million or 11.0%. This was attributable to increased spending for contracted services, equipment rotation, furniture and equipment and other capital expenses that are below the District's capitalization policy.
- Scholarships and fellowships include expenses for scholarships and fellowships from restricted and unrestricted funds and grants to students. In fiscal year 2019, scholarships and fellowships increased \$1.7 million due to increase allocations in various federal programs described in detail above. In fiscal year 2018, scholarships and fellowships were relatively flat, with an increase of \$0.5 million of 1.0%.

#### Statements of Cash Flows

The Statements of Cash Flows provide information about the resources of cash and the uses of cash in the operations and activities of the District. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital and related financing activities and investing activities. The Statements of Cash Flows indicated an overall decrease in cash and cash equivalents of \$42.8 million during fiscal year 2019 and an increase of \$135.5 million during fiscal year 2018. 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 \$42.8 million decrease in fiscal year 2019 was primarily attributable to construction spending from funds borrowed in previous years. The \$135.5 million increase in cash and cash equivalents in fiscal year 2018 is due to unspent proceeds from the \$175 million first tranche of the \$450 million CIP bonds approved by taxpayers in May of 2017.

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

**Capital Assets**

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation. The District had \$790.0 million and \$749.9 million invested in capital assets net of accumulated depreciation at August 31, 2019 and 2018, respectively. Depreciation expense totaled \$32.4 million in fiscal year 2019 and \$32.0 million in fiscal year 2018 (Note 5). A summary of net capital assets is presented below:

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Land	\$ 63.3	\$ 58.0	\$ 53.0	\$ 5.3	\$ 5.0
Construction in progress and works of art	40.9	45.3	12.7	(4.4)	32.6
Buildings and building improvements	611.5	573.1	587.1	38.4	(14.0)
Other real estate improvements	64.7	62.6	66.3	2.1	(3.7)
Furniture, machinery and equipment	8.5	9.6	6.8	(1.1)	2.8
Software	-	0.1	0.1	-	-
Library materials	1.1	1.2	1.5	(0.1)	(0.3)
Total capital assets, net of accumulated depreciation	<u>\$ 790.0</u>	<u>\$ 749.9</u>	<u>\$ 727.5</u>	<u>\$ 40.1</u>	<u>\$ 22.4</u>

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

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated at August 31, 2019 and 2018.

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

	Fiscal Year 2019			Fiscal Year 2018		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	\$ 141.5	\$ 76.8	54.3%	\$ 135.2	\$ 72.6	53.7%
Buildings and bldg improvements	920.0	308.5	33.5%	856.8	283.7	33.1%
Furniture, machinery and equipment	43.4	34.9	80.4%	43.6	34.0	78.0%
Software	3.2	3.2	100.0%	3.2	3.1	96.9%
Library materials	15.7	14.7	93.6%	16.1	14.9	92.5%
Total	<u>\$ 1,123.8</u>	<u>\$ 438.1</u>	<u>39.0%</u>	<u>\$ 1,054.9</u>	<u>\$ 408.3</u>	<u>38.7%</u>

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Major capital additions and renovations completed or in progress during fiscal years 2019 and 2018 include the following:

<b>Fiscal Year 2019</b>	<b>Amount (in millions)</b>
District Support Operations Building	\$ 60.1
District Support Operations Garage	3.0
District IT Infrastructure & Alamo Colleges Online	4.1
Northwest Vista College Redbud Bridge	1.0
Palo Alto College Facilities Canopy Additions	0.5
Palo Alto College Community Gardens	0.3

<b>Fiscal Year 2018</b>	<b>Amount (in millions)</b>
San Antonio College Veteran's Victory Center	\$ 8.7
San Antonio College Cooling Tower	0.1
Southwest Center Redundancy Police Dispatch Center	1.7
St. Philip's College Learning and Leadership Development Boiler Addition	0.1

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 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 include improvements to land (such as parking lots and signage), buildings, library books, furniture, machinery, equipment and software. Land, construction in progress and works of art are not depreciated.

The District has entered into several contracts for construction and various other renovation and projects financed by bond proceeds. As of August 31, 2019 and 2018, the District was committed for approximately \$87.0 million and \$20.9 million, respectively. For additional information concerning the District's capital assets and commitments, see Note 5 and Note 22, respectively, to the financial statements.

#### Debt

The Alamo Colleges District had \$531.5 million and \$579.3 million in outstanding bond and maintenance tax note debt at August 31, 2019 and 2018, respectively, before premiums and discounts. Outstanding debt decreased \$47.8 million in fiscal year 2019. In fiscal year 2018, debt increased a net \$87.9 million. The following table summarizes these amounts by type of debt instrument. See also Notes 7 and 8 to the basic financial statements for additional information.

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
General obligation bonds	\$ 388.0	\$ 423.6	\$ 324.7	\$ (35.6)	\$ 98.9
Revenue bonds	94.2	99.9	105.0	(5.7)	(5.1)
Tax notes	49.4	55.8	61.9	(6.4)	(6.1)
<b>Total outstanding debt</b>	<b>\$ 531.5</b>	<b>\$ 579.3</b>	<b>\$ 491.7</b>	<b>\$ (47.8)</b>	<b>\$ 87.6</b>

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

The \$47.8 million decrease in fiscal year 2019 is due to scheduled payments of principal on outstanding debt. The \$87.6 million increase in bonds and tax notes payable at the District level in 2018 resulted from the issuance of \$258.9 million of Series 2017 Limited Tax and Refunding Bonds, partially offset by refundings of \$25.8 million and \$123.2 million of Limited Tax Series 2007A and Limited Tax Series 2007 bonds, respectively; and scheduled debt service payments totaling approximately \$22.3 million.

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

**Factors Having Probable Future Financial Significance**

The economic condition of the Alamo Colleges District is influenced by the economic position of the State of Texas, the County of Bexar and surrounding counties and the City of San Antonio. San Antonio is the seventh largest city in the United States and the second largest city in Texas. The Bureau of Labor and Statistics reported that the August 2019 unemployment rate for San Antonio, the State of Texas and the United States was 3.1%, 3.4% and 3.7%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states, with the San Antonio economy being one of the strongest in the state.

The San Antonio metropolitan area is considered one of the most attractive locations in the nation for business growth due to affordable land, abundant power and an education system that continues to evolve and improve. In a November 2019 publication, the Federal Reserve Bank of Dallas cited that San Antonio's business-cycle index, a broad measure of economic activity, expanded at its fastest rate since 2014 and nearly doubled its long term trend rate. The article cited San Antonio's job growth, low unemployment rate and increased retail sales as indicators of the continued strength of the San Antonio economy. San Antonio again made the *Forbes* magazine 2019 list of the *Best Places For Business and Careers*, ranking San Antonio #48 out of 200 major metro areas and #44 in job growth.

## **ALAMO COMMUNITY COLLEGE DISTRICT**

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

The level of state appropriations Texas community colleges historically received enabled the low tuition rates community colleges provided. The State has continued to decrease appropriations and employee benefit coverage and has drastically changed the revenue mix. In the past, the State paid a significant portion of health benefits and all of the retirement contribution matches and provided an allocation adequate to cover instructional costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. The State has reduced its portion of retirement and health benefit coverage to 50% of eligible employee's retirement and health benefit costs while retirement and health care costs continue to increase. Overall, fiscal year 2019 state appropriations for the District are 1% less in fiscal year 2002, while enrollment and inflation have increased by 43% and 42%, respectively, during the same time period. For 2019, tuition revenue from students and tax revenue from local property owners now comprise over 75% of the primary revenue streams used for operations, as state allocations are now only sufficient to cover 24% of THECB formula funding. In the long term, without the State's full support, Texas community colleges will be forced to adjust the level of services to students and possibly significantly raise tuition and ad valorem tax rates.

In the future, the Alamo Colleges District and all Texas community colleges, will continue to face a growing challenge to fund increasing demand for state education services. District leadership 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 District continues to strategically analyze and reduce targeted expenses and make the most of favorable economic conditions by aggressively identifying the demand for workforce development programs and providing them. With the adoption of the FY2020 budget, the District has implemented a Smart Growth approach to the future. Smart Growth addresses many of the challenges and opportunities that lie ahead for the District by focusing on enrollment management, student success, obtaining and retaining talent, and innovation. Knowing that 65% of living wage jobs will require education beyond high school, the District sees an opportunity to provide that education and plans to grow the high demand programs, pace dual credit programs, grow the online education presence, reduce barriers to entry, implement the enrollment coach model, and expand experiential learning in order to preserve its primary mission of empowering its diverse communities for success. The outlook of the Alamo Colleges District for the foreseeable future remains positive as a result of its strategic leadership, fiscal management and stable local economy.

This financial report is designed to provide the District's citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance and Fiscal Services Department at 2222 N. Alamo Street, San Antonio, Texas 78215 or visit our Financial Transparency website at: <https://www.alamo.edu/about-us/compliance/financial-information/>.

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1**

**Statements of Net Position  
August 31, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 18,511,371	\$ 18,751,060
Restricted cash and cash equivalents	43,067,949	58,241,891
Investments	105,229,901	52,732,320
Accounts receivable and notes receivable, net of allowance	10,749,939	9,468,411
Other assets	227,522	804,819
Total current assets	177,786,682	139,998,501
Noncurrent assets:		
Restricted cash and cash equivalents	118,625,427	146,054,388
Long-term investments - operating	28,398,163	64,689,550
Other assets	4,141,056	4,182,565
Capital assets (net)	789,967,117	749,894,479
Total noncurrent assets	941,131,763	964,820,982
<b>TOTAL ASSETS</b>	<b>1,118,918,445</b>	<b>1,104,819,483</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to bond refundings	6,839,464	7,246,051
Deferred outflows related to OPEB	32,840,837	4,512,450
Deferred outflows related to pensions	38,566,458	11,882,141
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>78,246,759</b>	<b>23,640,642</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	27,541,013	23,551,449
Funds held for others	784,248	765,906
Unearned income	45,507,764	35,970,107
Current portion of noncurrent liabilities	34,797,182	52,760,969
Total current liabilities	108,630,207	113,048,431
Noncurrent liabilities	827,151,244	829,156,562
<b>TOTAL LIABILITIES</b>	<b>935,781,451</b>	<b>942,204,993</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to bond refundings	1,702,052	1,796,816
Deferred inflows related to OPEB	63,013,840	35,013,682
Deferred inflows related to pensions	13,635,366	12,581,733
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>78,351,258</b>	<b>49,392,231</b>
<b>NET POSITION</b>		
Net investment in capital assets	318,709,512	275,576,770
Restricted for:		
Expendable		
Student aid	7,787,670	4,065,443
Instructional programs	1,093,839	989,830
Capital projects	230,603	4,224,508
Debt service	11,185,582	10,560,353
Unrestricted	(155,974,711)	(158,554,003)
<b>TOTAL NET POSITION</b>	<b>\$ 183,032,495</b>	<b>\$ 136,862,901</b>

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1A**

**Statements of Financial Position of Alamo Colleges Foundation, Inc.  
(A Component Unit of Alamo Community College District)  
December 31, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,765,842	\$ 2,134,263
Contributions receivable, net of allowance and discounts	362,212	381,730
Investments:		
Fixed income securities	5,323,425	4,414,646
Mutual funds/exchange-traded funds	16,779,216	17,527,335
Marketable securities	2,017,724	2,550,332
<b>TOTAL ASSETS</b>	<b>26,248,419</b>	<b>27,008,306</b>
 <b>LIABILITIES AND NET POSITION</b>		
Accounts payable and accrued liabilities	\$ 7,321	\$ 13,491
Due to affiliates	45,827	35,335
<b>TOTAL LIABILITIES</b>	<b>53,148</b>	<b>48,826</b>
Net Position:		
Without donor restrictions	108,809	92,707
With donor restrictions	26,086,462	26,866,773
<b>TOTAL NET POSITION</b>	<b>26,195,271</b>	<b>26,959,480</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 26,248,419</b>	<b>\$ 27,008,306</b>

Note: The term "net assets" was replaced with "net position" in the schedule above in order to conform with GASB presentation requirements.

**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, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash	\$ 221,663	\$ 222,034
Noncurrent assets:		
Capital assets - land	5,099,847	5,099,847
<b>TOTAL ASSETS</b>	<b>5,321,510</b>	<b>5,321,881</b>
<b>LIABILITIES</b>		
Current liabilities:		
Current portion of unearned lease revenue	24,000	24,000
Noncurrent liabilities:		
Note payable	2,000,000	2,000,000
Unearned lease revenue	1,606,000	1,630,000
Interest payable	566,667	486,667
Total noncurrent liabilities	4,172,667	4,116,667
<b>TOTAL LIABILITIES</b>	<b>4,196,667</b>	<b>4,140,667</b>
<b>NET POSITION</b>		
Net investment in capital assets	3,099,847	3,099,847
Unrestricted	(1,975,004)	(1,918,633)
<b>TOTAL NET POSITION</b>	<b>\$ 1,124,843</b>	<b>\$ 1,181,214</b>

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 2**

**Statements of Revenues, Expenses and Changes in Net Position  
For Years Ended August 31, 2019 and 2018**

	2019	2018
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of discounts of \$77,337,949 and \$74,743,933, respectively)	\$ 56,682,644	\$ 54,867,775
Federal grants and contracts	18,162,965	17,182,362
State grants and contracts	1,426,133	444,595
Local grants and contracts	1,555,032	1,869,458
Non-governmental grants and contracts	475,341	555,896
Auxiliary enterprises	5,114,097	5,251,091
Other operating revenues	6,441,339	5,880,454
Total operating revenues (Schedule A)	89,857,551	86,051,631
<b>OPERATING EXPENSES:</b>		
Instruction	137,203,903	138,430,112
Public service	1,514,958	1,400,287
Academic support	29,664,583	27,326,304
Student services	54,945,340	50,931,255
Institutional support	78,660,036	79,246,681
Operation and maintenance of plant	40,757,803	45,572,477
Scholarships and fellowships	56,825,416	55,134,936
Auxiliary enterprises	1,640,494	1,930,016
Depreciation	32,380,340	32,016,071
Total operating expenses (Schedule B)	433,592,873	431,988,139
Operating loss	(343,735,322)	(345,936,508)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
State appropriations	76,753,648	83,918,262
Ad valorem taxes		
Taxes for maintenance and operations	167,473,259	156,508,206
Taxes for maintenance notes	9,072,244	9,550,682
Taxes for general obligation bonds	55,390,744	50,675,699
Federal grants, non-operating	93,921,320	86,811,730
State grants, non-operating	3,610,130	4,178,341
Gifts	405,893	250,041
Investment income	9,033,162	6,148,068
Interest on capital related debt	(19,845,187)	(18,892,924)
Interest on maintenance tax notes	(2,637,244)	(3,420,682)
Other non-operating expenses	(3,273,053)	(2,767,132)
Net non-operating revenues (Schedule C)	389,904,916	372,960,291
Increase in net position	46,169,594	27,023,783
<b>NET POSITION:</b>		
Net position - beginning of year	136,862,901	294,689,084
Cumulative effect of change in accounting principle (Note 2)	N/A	(184,849,966)
Net position - beginning of year, as restated	N/A	109,839,118
Net position - end of year (Schedule D)	\$ 183,032,495	\$ 136,862,901

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, 2018 and 2017**

	Net Position without Donor Restrictions	Net Position with Donor Restrictions	Total
Net position at January 1, 2017	\$ 2,196	\$ 24,623,844	\$ 24,626,040
Support and revenue:			
Contributions	94,497	2,271,244	2,365,741
In-kind revenue	490,090	-	490,090
Interest and dividend income	-	370,630	370,630
Gain on investments	-	2,510,880	2,510,880
Net position released from restrictions	2,867,734	(2,867,734)	-
Total revenue	3,452,321	2,285,020	5,737,341
Expenses:			
Program support and scholarships	2,973,371	-	2,973,371
General and administrative	305,203	-	305,203
Fundraising	125,327	-	125,327
Total expenses	3,403,901	-	3,403,901
Increase in net position	48,420	2,285,020	2,333,440
Designated transfers	42,091	(42,091)	-
Net position at December 31, 2017	92,707	26,866,773	26,959,480
Support and revenue:			
Contributions	83,575	3,237,218	3,320,793
In-kind revenue	849,969	-	849,969
Interest and dividend income	-	354,505	354,505
Loss on investments	-	(1,633,070)	(1,633,070)
Net position released from restrictions	2,760,073	(2,760,073)	-
Total revenue	3,693,617	(801,420)	2,892,197
Expenses:			
Program support and scholarships	2,783,823	-	2,783,823
General and administrative	623,826	-	623,826
Fundraising	248,757	-	248,757
Total expenses	3,656,406	-	3,656,406
Increase (decrease) in net position	37,211	(801,420)	(764,209)
Designated transfers	(21,109)	21,109	-
Net position at December 31, 2018	\$ 108,809	\$ 26,086,462	\$ 26,195,271

Note: The term "net assets" was replaced with "net position" in the schedule above in order to conform with GASB presentation requirements.

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, 2019 and 2018**

	2019	2018
<b>OPERATING REVENUES/(EXPENSES):</b>		
Lease revenue	\$ 24,000	\$ 24,000
Bank charges (net of interest income)	(371)	(362)
Total net operating revenues	23,629	23,638
 Operating income	 23,629	 23,638
<b>NON-OPERATING (EXPENSES):</b>		
Interest on capital related debt	(80,000)	(80,000)
 Decrease in net position	 (56,371)	 (56,362)
<b>NET POSITION:</b>		
Net position - beginning of year	1,181,214	1,237,576
Net position - end of year	\$ 1,124,843	\$ 1,181,214

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, 2019 and 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 65,976,016	\$ 59,778,114
Receipts from grants and contracts	22,012,197	21,051,883
Other receipts	5,629,189	5,893,506
Payments to or on behalf of employees	(238,806,807)	(231,628,231)
Payments to suppliers for goods and services	(80,049,227)	(87,960,199)
Payments for scholarships and fellowships	<u>(56,825,416)</u>	<u>(55,134,936)</u>
Net cash used by operating activities	<u>(282,064,048)</u>	<u>(287,999,863)</u>
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	64,972,539	64,623,534
Receipts from ad valorem taxes	167,636,278	156,931,927
Receipts from non-operating federal and state revenue	97,302,583	90,747,487
Receipts from gifts and grants (other than capital)	280,549	114,404
Receipts to student organizations and other agency transactions	34,060	1,443
Payments for Federal loans issued to students	(20,630,445)	(23,059,488)
Receipts from Federal loans for students	<u>20,404,946</u>	<u>23,067,853</u>
Net cash provided by noncapital financing activities	<u>330,000,510</u>	<u>312,427,160</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds on issuance of capital debt	-	298,588,957
Bond issuance costs	-	(1,894,212)
Receipts from ad valorem taxes for debt service	64,525,603	60,389,131
Receipts from capital grant contracts, grants and gifts	-	59,953
Payments for acquisition and construction of capital assets	(72,794,553)	(54,437,593)
Payments on capital debt - principal	(49,126,748)	(172,629,166)
Payments on capital debt - interest	<u>(26,109,092)</u>	<u>(27,372,099)</u>
Net cash (used)/provided by capital and related financing activities	<u>(83,504,790)</u>	<u>102,704,971</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	236,553,640	255,741,000
Interest on investments	8,931,930	6,165,763
Purchase of investments	<u>(252,759,834)</u>	<u>(253,502,467)</u>
Net cash (used)/provided by investing activities	<u>(7,274,264)</u>	<u>8,404,296</u>
 (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(42,842,592)</u>	<u>135,536,564</u>
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>223,047,339</u>	<u>87,510,775</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 180,204,747</u>	<u>\$ 223,047,339</u>

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, 2019 and 2018  
(continued)**

<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>	2019	2018
<b>USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (343,735,322)	\$ (345,936,508)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	32,380,340	32,016,071
Donated capital assets	750	50,650
Allowance for doubtful accounts	2,070,320	1,696,540
Non-cash state appropriations - on-behalf payments	15,839,509	19,294,728
Pension expense	2,980,038	(8,741)
OPEB expense	4,113,401	4,009,126
Changes in assets and liabilities:		
Receivables (net)	(3,117,602)	159,017
Other assets	698,806	(506,623)
Accounts payable	1,726,147	1,959,789
Unearned income	4,859,105	(1,234,831)
Net pension liability	28,610,722	(5,479,547)
Net OPEB liability	4,441,630	(30,846,109)
Compensable absences	62,717	429,958
Workers' compensation accrual	174,392	-
Utility escrow	(116,649)	70,961
Deferred outflows related to pensions	(29,664,355)	1,600,651
Deferred inflows related to pensions	1,053,633	3,878,896
Deferred outflows related to OPEB	(32,441,788)	(4,167,573)
Deferred inflows related to OPEB	28,000,158	35,013,682
Net cash used by operating activities	\$ (282,064,048)	\$ (287,999,863)

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

State on-behalf payments	\$ 15,839,509	\$ 19,294,728
Increase in fair value of investments	\$ 277,906	\$ 17,488
Gifts of depreciable and non-depreciable assets	\$ 125,344	\$ 50,650
Amortization of premium on bonds	\$ 3,779,680	\$ 6,358,792
Amortization of deferred charges on bond refundings	\$ 311,823	\$ 1,456,569
Assets acquired in exchange of training credits	\$ 567,000	\$ 1,456,569
Undistributed investment income public/private partnership	\$ 80,000	\$ 80,000

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 1. REPORTING ENTITY

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

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

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

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

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

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

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Guidelines

The significant accounting policies followed in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* for fiscal year 2019. For financial reporting purposes, the District is considered a special-purpose, primary government engaged in business-type activities.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Basis of Accounting

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

#### Budgetary Data

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

#### Cash and Cash Equivalents

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

#### Restricted Cash and Cash Equivalents

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

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

#### Accounts and Notes Receivable

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

#### Other Current Assets

Included in this category are prepaid expenses and inventories.

#### Investments

Investments are reported at fair value. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity. The District classifies its investments within a fair value hierarchy based on the relative inputs used to value the investments, in accordance with the provisions of GASB Statement 72, *Fair Value Measurement and Application* (GASB72). For more detailed information, see Note 4.

#### Capital Assets

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

Class of Asset	Capitalization Threshold	Useful Life (Years)	Salvage Value
Land	\$ 5,000	Not depreciated	-
Land improvements (except tennis courts)	100,000	20	-
Tennis courts	10,000	7	-
Buildings	100,000	40	10%
Building improvements	100,000	20	-
Portable buildings	10,000	10	10%
Furniture, machinery and equipment	5,000	5-10	-
Infrastructure	100,000	20	10%
Software	5,000	5	-
Library materials	All	15	-
Works of art/historical treasures	5,000	Not depreciated Shorter of lease or useful life	-
Leasehold improvements	10,000		-
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 records deferred outflows of resources for deferred charges on the refunding of debt calculated as 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 records deferred outflows of resources for its proportionate share of collective deferred outflows of resources of the Teacher Retirement System of Texas (TRS) pension plan and for its proportionate share of collective deferred outflows of resources of the Employees Retirement System (ERS) other postemployment benefit (OPEB) plan. In addition, deferred outflows of resources are recorded for employer contributions made to the TRS and ERS plans subsequent to the measurement date of the respective net pension or net OPEB liabilities. For additional information, see Note 10 and Note 18.

#### Pensions

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

#### Other Post Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP), also referred to as the Texas Employees Group Benefits Program (GBP), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense, and information about assets, liabilities and additions to/deductions from the GBP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Compensable Absences

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

#### Self-Insurance

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

#### 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 calculated as 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 records deferred inflows of resources for its proportionate share of collective deferred inflows of resources of the Teacher Retirement System of Texas (TRS) pension plan and for its proportionate share of collective deferred inflows of resources of the Employees Retirement System (ERS) other postemployment benefit (OPEB) plan. For additional information, see Note 10 and Note 18.

#### 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 of resources 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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

#### Operating and Non-operating Expenses

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

#### Restricted Resources

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

#### Estimates

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

#### New Pronouncements

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of certain tangible capital assets. The objective of this Statement is to enhance the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District evaluated the requirements of GASB 83 in fiscal year 2019 and determined it did not have any material asset retirement obligations.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

GASB 88 clarifies which liabilities governments should include when disclosing information related to debt and requires additional disclosures related to debt including unused lines of credit, assets pledged as collateral for debt and terms specified in debt agreements related to significant events of default with finance-related consequences and significant subjective acceleration clauses. The District implemented the requirements of this Statement during fiscal year 2019. For additional information, see Note 8.

#### Pending Pronouncements

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

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

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

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged and the requirements of this Statement should be applied prospectively.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The requirements of this statement are effective for periods beginning after December 15, 2020. Earlier application is encouraged.

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 84, 87, 89, 90 and 91 on its future financial statements.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Prior Year Restatement to Beginning Net Position

In fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Accordingly, a restatement to beginning net position was required for the recording of the beginning net OPEB liability and for the recording of a deferred outflow of resources for employer contributions made to the ERS OPEB plan subsequent to the measurement date of the beginning net OPEB liability.

Because audited beginning balances could not be obtained for all deferred outflows of resources and deferred inflows of resources related to OPEB, the District determined it was impractical to restate fiscal year 2017 financial statements. As such, the District recorded a restatement to beginning net position in the fiscal year 2018 financial statements as a cumulative effect of a change in accounting principle.

Beginning net position as of September 1, 2017 was restated as follows for the implementation of GASB Statement No. 75 in fiscal year 2018:

Beginning net position	\$ 294,689,084
Net OPEB liability (measurement date as of August 31, 2016)	(189,203,969)
Deferred outflow for District contributions made during FY2017	<u>4,354,003</u>
Beginning net position, as restated	<u>\$ 109,839,118</u>

### 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 bank deposits at August 31, 2019 and 2018 was \$8,495,257 and \$5,817,156, respectively. Total bank balances at August 31, 2019 and 2018 equaled \$9,513,073 and \$5,716,144, respectively. The FDIC insures all bank deposits up to \$250,000. Deposits in excess of \$250,000 are collateralized at a level between 105% and 115% in U.S. Treasuries and Government Securities and high-grade municipal bonds, per the Tri-Party Collateral Management Agreement with the District's depository bank, Bank of America N.A. All collateral is held by BNY Mellon.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2019 and 2018:

	2019	2018
Bank deposits: Demand deposits	\$ 3,996,745	\$ 2,653,833
Money market	4,498,512	3,163,323
Total bank deposits	8,495,257	5,817,156
Automated investment account	664,137	-
Local Government Investment Pool (TexPool) deposits	171,007,833	217,192,663
Petty cash on hand	37,520	37,520
Total cash and cash equivalents	\$ 180,204,747	\$ 223,047,339

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 (the "Comptroller") is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the "Trust Company"), which is authorized to operate the TexPool portfolios. Pursuant to the TexPool Participation Agreement, administrative and investment services to the TexPool portfolios are provided by Federated Investors, Inc. ("Federated"), under an agreement with the Comptroller, acting on behalf of the Trust Company. The Comptroller exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. The TexPool Advisory Board, composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool, advises on the Investment Policies and approves any fee increases.

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

The District also utilizes an Automated Investment Account ("Sweep") through its depository bank, Bank of America, N.A. Bank of America holds omnibus positions in selected PFIA-compliant BlackRock Liquidity Funds on behalf of clients who invest through the Sweep. The shares are held at BNY Mellon. The District utilizes the Treasury Trust Fund (T-Fund) institutional share class, which invests exclusively in U.S. Treasury securities and repurchase agreements secured by Treasuries.

The fair value of investments as of August 31, 2019 and 2018 is disclosed in the following section. Market values are provided by Hilltop Securities Asset Management, LLC. (HSAM). HSAM's source for pricing government securities (Treasuries and agencies) and most commercial paper is Securities Data Services (SVC), a subsidiary of SS&C Technologies, Inc. and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities and commercial paper pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing. IDC utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information. Because many fixed income securities do not trade on a daily basis, IDC's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. SVC and/or IDC provide some, but not all, of the commercial paper (CP) pricing, while HSAM estimates other CP prices based on comparable market offers of similar issuers with comparable credit ratings and maturity dates. All pricing and market values are based on Level 2 inputs. These sources are deemed reliable.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2019 and 2018:

Type of Security	Fair Value at August 31,	
	2019	2018
U.S. government securities:		
FHLB coupon notes	\$ 16,457,474	\$ 4,996,250
FHLMC coupon notes	14,999,848	14,867,550
FFCB coupon notes	9,954,581	9,956,700
U.S. Treasuries	54,978,751	62,671,600
Municipal bonds	3,381,709	-
Commercial paper	33,855,701	24,929,770
Total	<u>\$ 133,628,064</u>	<u>\$ 117,421,870</u>

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statements of Net Position on August 31, 2019 and 2018 is as follows:

	Fair Value at August 31,	
	2019	2018
Total cash and cash equivalents	\$ 180,204,747	\$ 223,047,339
Total investments	133,628,064	117,421,870
Total	<u>\$ 313,832,811</u>	<u>\$ 340,469,209</u>
Per Exhibit 1:		
Cash and cash equivalents	\$ 18,511,371	\$ 18,751,060
Restricted cash and cash equivalents - current	43,067,949	58,241,891
Investments - current	105,229,901	52,732,320
Restricted cash and cash equivalents - noncurrent	118,625,427	146,054,388
Long-term investments - operating	28,398,163	64,689,550
Total	<u>\$ 313,832,811</u>	<u>\$ 340,469,209</u>

#### 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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

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

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

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

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

The District had the following recurring fair value measurements for investment assets at August 31, 2019:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 41,411,903	\$ -	\$ 41,411,903
U.S. Treasuries	-	54,978,751	-	54,978,751
Municipal bonds	-	3,381,709	-	3,381,709
Commercial paper	-	33,855,701	-	33,855,701
Total	\$ -	\$ 133,628,064	\$ -	\$ 133,628,064

The District had the following recurring fair value measurements for investment assets at August 31, 2018:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 29,820,500	\$ -	\$ 29,820,500
U.S. Treasuries	-	62,671,600	-	62,671,600
Commercial paper	-	24,929,770	-	24,929,770
Total	\$ -	\$ 117,421,870	\$ -	\$ 117,421,870

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, 2019 and 2018:

Type	2019			2018		
	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	\$ 16,457,474	5.4%	1.000	\$ 4,996,250	1.5%	1.000
FHLMC	14,999,848	4.9%	1.282	14,867,550	4.4%	1.282
FFCB	9,954,581	3.3%	1.850	9,956,700	3.0%	1.850
U.S. Treasuries	54,978,751	18.0% ^	1.154	62,671,600	18.7% ^	1.154
Municipal bonds	3,381,709	1.1%	0.000	-	0.0%	0.000
Commercial paper	33,855,701	11.1% ^	0.300	24,929,770	7.5% ^	0.300
TexPool	171,007,833	56.0% ^	0.003	217,192,663	64.9% ^	0.003
BlackRock Treasury fund	664,137	0.2%	0.003	-	0.0%	
<b>Total</b>	<b>\$ 305,300,034</b>	<b>100%</b>		<b>\$ 334,614,533</b>	<b>100.0%</b>	

Portfolio weighted average maturity at August 31 0.381 0.367

\* 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, 2019, 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 at August 31, 2019 and 2018:

Issuer	Credit rating at 8/31/2019	Credit rating at 8/31/2018
Baylor University	*	A-1+/F1+
BlackRock Treasury Trust Fund	AAAm	*
City of Philadelphia, PA	*	A-1+ /P-1/ F1+
FFCB	AA+ /Aaa /AAA	AA+ /Aaa /AAA
FHLB	AA+ /Aaa	AA+ /Aaa
FHLMC	AA+ /Aaa /AAA	AA+ /Aaa /AAA
FNMA	AA+ /Aaa /AAA	AA+ /Aaa /AAA
J.P. Morgan Securities	A-1/P-1/F1+	A-1/P-1/F1+
Kaiser Foundation Hospital	A-1+/F1+	A-1+/F1+
Los Angeles, CA Muni Improve	*	A-1+ /P-1 /F1+
Salvation Army	A-1+/P-1	*
Texas A&M University	AAA/Aaa/AAA <sup>(1)</sup>	A-1+ /P-1 /F1+ <sup>(2)</sup>
TexPool	AAAm	AAAm
University of California	A-1+ /P-1 /F1+	*
University of Houston	*	AA/Aa2
University of Texas	*	A-1+ /P-1 /F1+
Yale University	A-1+ /P-1	*

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

<sup>(1)</sup> Long-Term Ratings

<sup>(2)</sup> Short-Term Ratings

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2019 was as follows:

	Balance 9/1/2018	Increases	Decreases	Balance 8/31/2019
<u>Not Depreciated:</u>				
Land	\$ 57,960,425	\$ 5,326,717	\$ 19,000	\$ 63,268,142
Works of art	385,460	-	-	385,460
Construction in progress	44,964,443	36,999,498	41,439,775	40,524,166
Subtotal	<u>103,310,328</u>	<u>42,326,215</u>	<u>41,458,775</u>	<u>104,177,768</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	856,756,554	63,252,752	-	920,009,306
Other real estate improvements	135,199,353	6,313,477	-	141,512,830
Total buildings and other real estate improvements	<u>991,955,907</u>	<u>69,566,229</u>	<u>-</u>	<u>1,061,522,136</u>
Software	3,202,579	-	-	3,202,579
Furniture, machinery and equipment	43,625,330	1,950,558	2,220,423	43,355,465
Library materials	16,109,145	126,207	493,675	15,741,677
Total buildings and other capital assets	<u>1,054,892,961</u>	<u>71,642,994</u>	<u>2,714,098</u>	<u>1,123,821,857</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	283,694,601	24,833,557	-	308,528,158
Other real estate improvements	72,610,760	4,188,527	-	76,799,287
Total buildings and other real estate improvements	<u>356,305,361</u>	<u>29,022,084</u>	<u>-</u>	<u>385,327,445</u>
Software	3,129,266	25,650	-	3,154,916
Furniture, machinery and equipment	34,004,894	3,038,844	2,162,967	34,880,771
Library materials	14,869,289	293,762	493,675	14,669,376
Total accumulated depreciation	<u>408,308,810</u>	<u>32,380,340</u>	<u>2,656,642</u>	<u>438,032,508</u>
Net capital assets	<u>\$ 749,894,479</u>	<u>\$ 81,588,869</u>	<u>\$ 41,516,231</u>	<u>\$ 789,967,117</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 5. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2018 was as follows:

	Balance 9/1/2017	Increases	Decreases	Balance 8/31/2018
<u>Not Depreciated:</u>				
Land	\$ 52,992,729	\$ 4,967,696	\$ -	\$ 57,960,425
Works of art	379,221	6,239	-	385,460
Construction in progress	12,331,737	37,740,087	5,107,381	44,964,443
Subtotal	<u>65,703,687</u>	<u>42,714,022</u>	<u>5,107,381</u>	<u>103,310,328</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	846,024,538	10,732,016	-	856,756,554
Other real estate improvements	134,669,587	529,766	-	135,199,353
Total buildings and other real estate improvements	<u>980,694,125</u>	<u>11,261,782</u>	<u>-</u>	<u>991,955,907</u>
Software	3,202,579	-	-	3,202,579
Furniture, machinery and equipment	38,616,776	5,464,096	455,542	43,625,330
Library materials	16,131,369	115,530	137,754	16,109,145
Total buildings and other capital assets	<u>1,038,644,849</u>	<u>16,841,408</u>	<u>593,296</u>	<u>1,054,892,961</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	258,936,967	24,757,634	-	283,694,601
Other real estate improvements	68,381,643	4,229,117	-	72,610,760
Total buildings and other real estate improvements	<u>327,318,610</u>	<u>28,986,751</u>	<u>-</u>	<u>356,305,361</u>
Software	3,099,286	29,980	-	3,129,266
Furniture, machinery and equipment	31,805,185	2,646,390	446,681	34,004,894
Library materials	14,654,093	352,950	137,754	14,869,289
Total accumulated depreciation	<u>376,877,174</u>	<u>32,016,071</u>	<u>584,435</u>	<u>408,308,810</u>
Net capital assets	<u>\$ 727,471,362</u>	<u>\$ 27,539,359</u>	<u>\$ 5,116,242</u>	<u>\$ 749,894,479</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 6. NONCURRENT LIABILITIES

As of August 31, 2019, noncurrent liabilities are \$827,151,244 with activity for the fiscal year as follows:

	Balance 9/1/18	Additions	Reductions	Balance 8/31/19	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 423,635,000	\$ -	\$ 35,680,000	\$ 387,955,000	\$ 14,010,000
Revenue bonds	99,900,000	-	5,685,000	94,215,000	5,880,000
Maintenance tax notes	55,810,000	-	6,435,000	49,375,000	6,755,000
Premium on bonds payable	67,819,789	-	3,779,680	64,040,109	3,790,035
Subtotal	<u>647,164,789</u>	<u>-</u>	<u>51,579,680</u>	<u>595,585,109</u>	<u>30,435,035</u>
Notes payable	13,853,326	-	1,451,343	12,401,983	1,398,081
Compensable absences	6,912,155	770,965	708,247	6,974,873	516,163
Unearned income	956,736	-	53,152	903,584	53,152
Net pension liability	54,672,665	33,707,893	5,097,171	83,283,387	-
Net OPEB liability	158,357,860	17,453,251	13,011,621	162,799,490	2,394,751
<b>Total</b>	<u><b>\$ 881,917,531</b></u>	<u><b>\$ 51,932,109</b></u>	<u><b>\$ 71,901,214</b></u>	<u><b>\$ 861,948,426</b></u>	<u><b>\$ 34,797,182</b></u>

As of August 31, 2018, noncurrent liabilities are \$829,156,562 with activity for the fiscal year as follows:

	Balance 9/1/17	Additions	Reductions	Balance 8/31/18	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 324,745,000	\$258,940,000	\$ 160,050,000	\$ 423,635,000	\$ 35,680,000
Revenue bonds	105,045,000	-	5,145,000	99,900,000	5,685,000
Maintenance tax notes	61,940,000	-	6,130,000	55,810,000	6,435,000
Premium on bonds payable	34,529,624	39,648,957	6,358,792	67,819,789	2,182,342
Subtotal	<u>526,259,624</u>	<u>298,588,957</u>	<u>177,683,792</u>	<u>647,164,789</u>	<u>49,982,342</u>
Notes payable	15,157,492	-	1,304,166	13,853,326	1,446,229
Compensable absences	6,482,197	978,285	548,327	6,912,155	475,722
Unearned income	1,009,888	-	53,152	956,736	53,152
Net pension liability	60,152,212	124,433	5,603,980	54,672,665	-
Net OPEB liability*	-	205,611,509	47,253,649	158,357,860	803,524
<b>Total</b>	<u><b>\$ 609,061,413</b></u>	<u><b>\$ 505,303,184</b></u>	<u><b>\$ 232,447,066</b></u>	<u><b>\$ 881,917,531</b></u>	<u><b>\$ 52,760,969</b></u>

\*FY 2018 additions to Net OPEB liability include the \$189,203,969 restatement to beginning net position as required by the implementation of GASB Statement No. 75. See Note 2.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 7. DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2019 were as follows (table amounts in 000s):

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds*		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 14,010	\$ 17,383	\$ 5,880	\$ 4,236	\$ 6,755	\$ 2,330	\$ 26,645	\$ 23,949
2021	14,450	16,939	6,100	4,314	7,090	1,994	27,640	23,247
2022	14,905	16,481	6,395	4,012	7,465	1,616	28,765	22,109
2023	15,370	16,008	6,715	3,692	6,200	1,255	28,285	20,955
2024	16,135	15,249	7,055	3,352	2,280	1,036	25,470	19,637
2025-2029	92,650	63,248	15,585	13,758	13,275	3,303	121,510	80,309
2030-2034	96,990	40,387	12,590	10,707	6,310	320	115,890	51,414
2035-2039	98,480	15,680	12,355	7,550	-	-	110,835	23,230
2040-2044	24,965	2,251	12,445	4,361	-	-	37,410	6,612
2045-2049	-	-	9,095	786	-	-	9,095	786
<b>TOTAL</b>	<b>\$ 387,955</b>	<b>\$ 203,626</b>	<b>\$ 94,215</b>	<b>\$ 56,768</b>	<b>\$ 49,375</b>	<b>\$ 11,854</b>	<b>\$ 531,545</b>	<b>\$ 272,248</b>

\*The interest rate as of August 31, 2019 (3.0%) was used to compute future interest costs for the variable rate revenue bonds included in the table above.

Debt service requirements at August 31, 2018 were as follows (table amounts in 000s):

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds*		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 35,680	\$ 19,148	\$ 5,685	\$ 4,120	\$ 6,435	\$ 2,651	\$ 47,800	\$ 25,918
2020	14,010	17,383	5,880	4,236	6,755	2,330	26,645	23,949
2021	14,450	16,939	6,100	4,314	7,090	1,994	27,640	23,246
2022	14,905	16,481	6,395	4,012	7,465	1,616	28,765	22,109
2023	15,370	16,008	6,715	3,692	6,200	1,255	28,285	20,955
2024-2028	89,210	67,727	19,950	14,613	12,630	3,951	121,790	86,290
2029-2033	89,775	44,430	12,800	11,300	9,235	708	111,810	56,439
2034-2038	117,655	20,951	12,685	8,197	-	-	130,340	29,148
2039-2043	32,580	3,707	11,855	5,027	-	-	44,435	8,734
2044-2048	-	-	11,835	1,376	-	-	11,835	1,376
<b>TOTAL</b>	<b>\$ 423,635</b>	<b>\$ 222,774</b>	<b>\$ 99,900</b>	<b>\$ 60,887</b>	<b>\$ 55,810</b>	<b>\$ 14,505</b>	<b>\$ 579,345</b>	<b>\$ 298,166</b>

\*The interest rate as of August 31, 2018 (3.0%) was used to compute future interest costs for the variable rate revenue bonds included in the table above.

#### Operating Leases

Rental payments of approximately \$1,425,000 and \$988,200 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2019 and 2018, 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, 2019 and 2018 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	Balance August 31, 2019	Balance August 31, 2018
<b>General Obligation Bonds (Repayment source - Ad valorem taxes)</b>					
2007	Construct, renovate, acquire and equip new and existing facilities. Dated March 15, 2007.	\$ 271,085,000	4.5%	\$ 37,410,000	\$ 37,410,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Dated July 15, 2007.	63,490,000	4.75%	5,600,000	5,600,000
2012	Refund certain of the District's outstanding Limited Tax Bonds Series 2007 and 2007A. Dated June 15, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000
2016	Refund the District's outstanding Limited Tax Bonds Series 2006 and 2006A. Dated May 15, 2016.	72,065,000	3.5% - 5.0%	54,535,000	56,630,000
2017	Refund the District's outstanding Limited Tax Bonds Series 2007 and 2007A and construct, renovate, acquire and equip new and existing facilities. Dated September 15, 2017.	258,940,000	3.0% - 5.0%	216,300,000	249,885,000
Subtotal - General Obligation Bonds				\$ 387,955,000	\$ 423,635,000
<b>Maintenance Tax Notes (Repayment source - Ad valorem taxes)</b>					
2011	Renovate and repair existing District facilities. Dated July 15, 2011.	\$ 54,795,000	4.0% - 5.0%	\$ 29,930,000	\$ 31,725,000
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Dated January 15, 2014.	40,665,000	5.0% - 5.5%	19,445,000	24,085,000
Subtotal - Maintenance Tax Notes				\$ 49,375,000	\$ 55,810,000
<b>Revenue Financing System (Repayment source - Pledged revenue*)</b>					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Dated March 1, 2012.	\$ 55,800,000	3.0% - 5.25%	\$ 44,545,000	\$ 49,605,000
2017	Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Dated January 15, 2017.	34,880,000	2.0% - 5.0%	33,980,000	34,605,000
2017	(Variable Rate) Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Dated January 15, 2017.	15,690,000	Variable Rate-Coupon 3% to 7% (step up rate)	15,690,000	15,690,000
Subtotal - Revenue Financing System Bonds				\$ 94,215,000	\$ 99,900,000
<b>Total Bonds</b>				<b>\$ 531,545,000</b>	<b>\$ 579,345,000</b>

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

Bonds payable are due in annual installments varying from \$266,000 to \$21,628,450 with interest rates from 2.0% to 7.0%, with the final installment due in fiscal year 2047.

At August 31, 2019, the District had outstanding debt of \$15,690,000 related to its Variable Rate Revenue Financing System Bonds issued in fiscal year 2017. These bonds were issued in fiscal year 2017 with a coupon of 3.0% and an initial interest rate of 3.0% through October 31, 2019. The bonds are subject to a mandatory tender on November 1, 2019. On that date, they will be redeemed or remarketed and will bear interest at the rate determined at that time. Bonds that are not redeemed or not able to be remarketed at that time will bear interest at the rate of 7.0% until they are remarketed or redeemed. For additional information, see subsequent events Note 23.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

The Treasury's regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. A rebate computation and payment to the Treasury, if applicable, is required to be made at least every five years or at each "Rebate Installment Computation Date" and upon final redemption or maturity of the bonds. The District had no liability related to arbitrage rebate at August 31, 2019 and 2018.

If the District defaults in the payment of principal, interest or redemption price when due, or fails to make payments into any fund created in a resolution adopted by the District's Board of Trustees authorizing the issuance of the related debt obligations, the registered owners of the bonds may seek a writ of mandamus through the courts to compel the District to carry out their legally imposed duties with respect to the bonds. The writ may not be arbitrarily refused. This writ would compel the District to raise requisite tax revenue in the case of tax-supported bonds or raise requisite pledged revenue in the case of revenue-supported bonds in an amount sufficient to pay required principal and interest. There is no acceleration of maturity of the bonds in the event of default. The District does not have any assets pledged as revenue for debt, subjective acceleration clauses or any used or unused lines of credit.

### 9. DEFEASED BONDS OUTSTANDING

As of August 31, 2019 and 2018, the District had no defeased bonds outstanding.

### 10. EMPLOYEES' RETIREMENT PLANS

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

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

*Plan Description:* The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the TRS. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code.

The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

*Pension Plan Fiduciary Net Position:* Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. The report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; by calling (512) 542-6592; or online at <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 (COLAs). 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 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	<u>Contribution Rates</u>	
	2018	2019
Member	7.7%	7.7%
District/Non-employer contributing entity (State)	6.8%	6.8%
District contributions (audited)	\$ 5,097,171	
State of Texas on-behalf contributions (unaudited)	\$ 4,102,660	

The District's contributions to the TRS pension plan in 2019 were \$5,128,423 as reported in the Schedule of District Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2019 were \$7,650,000.

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

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

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

*Actuarial Assumptions:* The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	6.907%
Long-term expected investment rate of return	7.25%
Municipal bond rate as of August 2018*	3.69%
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

\*Rate source is the fixed income market data/yield curve/date municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in "Fidelity Index's 20-year Municipal GO AA Index."

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ended August 31, 2017, and adopted in July 2018, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan.

*Changes Since the Prior Actuarial Valuation:* The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation;
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRA for the period ending August 31, 2017;
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study;
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018;
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent;
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

There were no changes of benefit terms that affected the 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 single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. 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 sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated 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 arithmetic real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation <sup>1</sup>	Long-Term Expected Arithmetic Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
Global equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. developed	13.0%	6.9%	0.9%
Emerging markets	9.0%	8.9%	0.8%
Directional hedge funds	4.0%	3.5%	0.1%
Private equity	13.0%	10.2%	1.3%
Stable value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute return	0.0%	0.0%	0.0%
Stable value hedge funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real return			
Global inflation linked bonds	3.0%	0.7%	0.0%
Real assets	14.0%	5.2%	0.7%
Energy and natural resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk parity			
Risk parity	5.0%	3.7%	0.2%
Inflation expectation			2.3%
Volatility drag <sup>3</sup>			-0.8%
<b>Total</b>	<b>100.0%</b>		<b>7.2%</b>

<sup>1</sup>Target allocations are based on the FY2016 policy model.

<sup>2</sup>Capital market assumptions come from Aon Hewitt (2017 Q4)

<sup>3</sup>The volatility drag results from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2018 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 or 1% greater than the discount rate that was used (6.907%) in measuring the 2018 net pension liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
District's proportionate share of the net pension liability	\$ 125,694,602	\$ 83,283,387	\$ 48,948,994

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At August 31, 2019, the District reported a liability of \$83,283,387 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	\$ 83,283,387
State's proportionate share that is associated with District	<u>67,075,692</u>
Total	<u>\$ 150,359,079</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 thru August 31, 2018.

At the measurement date of August 31, 2018 the District's proportion of the collective net pension liability was 0.1513076223%, which was a decrease of 0.0196801093% from its proportion measured as of August 31, 2017.

For the year ended August 31, 2019, the District recognized pension expense of \$6,638,706 and revenue of \$6,638,706 for support provided by the State. For the year ended August 31, 2018, the District recognized pension expense of \$2,392,622 and revenue of \$2,392,622 for support provided by the State.

At August 31, 2019, 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	\$ 519,120	\$ 2,043,445
Changes in actuarial assumptions	30,027,673	938,366
Net difference between projected and actual investment earnings	-	1,580,243
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,891,242	9,073,312
Contributions paid to TRS subsequent to the measurement date	<u>5,128,423</u>	<u>-</u>
Total	\$ 38,566,458	\$ 13,635,366

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

At August 31, 2018, 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	\$ 799,886	\$ 2,948,425
Changes in actuarial assumptions	2,490,427	1,425,711
Net difference between projected and actual investment earnings	-	3,984,425
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3,499,976	4,223,172
Contributions paid to TRS subsequent to the measurement date	5,091,852	-
Total	\$ 11,882,141	\$ 12,581,733

The \$5,128,423 amount reported at August 31, 2019 as deferred outflows of resources related to pensions resulting from District contributions to the pension plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2020.

The net amounts of the District's balances of deferred outflows of resources and deferred inflows of resources related to pensions, other than deferred outflows of resources for contributions made subsequent to the measurement date of the net pension liability, will be recognized in pension expense as follows:

Year ending August 31,	Pension Expense Amount
2020	\$ 5,204,970
2021	1,879,523
2022	1,216,623
2023	4,487,785
2024	4,399,667
Thereafter	2,614,101

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

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Total payroll for the District and for employees under each retirement plan, retirement expense for the State and the District, and contribution rates mandated by the State for the years ended August 31, 2019, 2018 and 2017 are as follows:

	2019	2018	2017
Payroll - all District employees	\$ 192,944,431	\$ 189,497,099	\$ 184,438,723
Payroll - TRS participants	139,439,475	135,309,910	128,722,459
Payroll - ORP participants	30,696,122	31,762,599	33,612,027
 Total required annual contributions:			
State on-behalf contributions	\$ 7,650,000	\$ 3,430,000	\$ 4,620,000
District contributions	9,220,000	6,220,000	7,510,000
District/State contribution percentages - TRS	6.80%	6.80%	6.80%
Participant contribution percentages - TRS	7.70%	7.70%	7.70%
District/State contribution percentages - ORP	6.80%	6.80%	6.80%
Participant contribution percentages - ORP	6.65%	6.65%	6.65%

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

### 11. DEFERRED COMPENSATION PROGRAM

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

A total of approximately \$2,013,000 was contributed by 371 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program including designated Roth accounts and 137 participants contributed a total of approximately \$546,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2019.

A total of approximately \$2,108,000 was contributed by 353 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program including designated Roth accounts and 132 participants contributed a total of approximately \$428,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2018.

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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 12. COMPENSABLE ABSENCES (continued)

The District recognizes the accrued liability for annual leave as a liability in the Statements of Net Position (see also 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, 2019 and 2018 for annual leave was approximately \$7,000,000 and \$6,900,000, respectively.

### 13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2019 and 2018 were as follows:

	2019	2018
Tuition and fees receivable	\$ 13,904,954	\$ 12,664,699
Taxes receivable	8,102,507	7,755,522
Contracts and grants receivable	3,988,722	3,942,800
Interest receivable	366,382	345,150
Other receivables	2,775,379	2,024,169
Subtotal	29,137,944	26,732,340
Less allowance for doubtful accounts:		
Tuition and fees receivable	10,628,102	10,071,505
Taxes receivable	7,526,648	6,954,029
Other receivables	233,255	238,395
Net accounts receivable and notes receivable	\$ 10,749,939	\$ 9,468,411

Other receivables include 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, 2019 and 2018 were as follows:

	2019	2018
Accounts payable to vendors	\$ 11,811,244	\$ 9,094,323
Accrued liabilities:		
Salaries and benefits	7,872,609	8,069,470
Construction retainage	4,733,888	3,163,323
Bond interest	2,172,456	2,331,260
Workers' compensation claims	762,086	587,694
Other	188,730	305,379
Total accounts payable and accrued liabilities	\$ 27,541,013	\$ 23,551,449

### 14. FUNDS HELD FOR OTHERS

The District holds unapplied Federal Direct Loan Program funds, funds for certain students and funds for student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of \$784,248 and \$765,906 as of August 31, 2019 and 2018, respectively.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Notes to Financial Statements**

**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, 2019 and 2018 for which no expenses have been incurred, totaled approximately \$37,600,000 and \$34,800,000, 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 \$3,171,169 of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately \$762,000 and \$588,000 at August 31, 2019 and 2018, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying Statements of Net Position. These liabilities are generally based on an actuarial valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 2.25% and 4.25% for August 31, 2019 and 2018, respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2019	\$ 587,694	\$ 672,036	\$ (497,644)	\$ 762,086
2018	587,694	435,065	(435,065)	587,694

**17. HEALTH CARE AND LIFE INSURANCE BENEFITS**

The State of Texas pays certain health care and life insurance benefits for active employees. These benefits 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 \$625 and \$1,223 per month for the year ended August 31, 2019 and between approximately \$622 and \$1,217 per month for the year ended August 31, 2018.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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	2019	2018
Number of Retirees	1,214	1,161
Cost of Health Benefits for Retirees	\$ 8,660,351	\$ 8,416,998
Number of Active Full-time Employees	2,603	2,602
Cost of Health Benefits for Active Full-time Employees	\$ 21,662,969	\$ 19,391,446
State Appropriation for Health Insurance	\$ 14,055,891	\$ 13,444,693
District's Expense for Health Insurance	\$ 16,267,429	\$ 14,363,751

### 18. OTHER POSTEMPLOYMENT BENEFIT PLAN

*Plan Description:* The District participates in a cost-sharing, multiple employer, defined benefit other postemployment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP), also referred to as the State Retiree Health Plan (SRHP), is administered by the Employees Retirement System of Texas (ERS or System). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the District and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

*OPEB Plan Fiduciary Net Position:* Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2017-CAFR.pdf>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

*Benefits Provided:* Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

*Changes of Benefit Terms Since Prior Measurement Date:* The following benefit revisions have been adopted since the prior valuation for HealthSelect retirees and dependents for whom Medicare is not primary:

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,550 to \$6,650 for individuals and from \$13,100 to \$13,300 for families in order to remain consistent with Internal Revenue Service maximums.

These minor benefit changes have been reflected in the fiscal year 2019 Assumed Per Capita Health Benefit Costs.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Notes to Financial Statements**

**18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)**

*Contributions:* 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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium for the measurement years ended August 31, 2018 and 2017. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium  
For the Measurement Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Retiree only	\$ 621.90	\$ 617.30
Retiree & spouse	1,334.54	970.98
Retiree & children	1,099.06	854.10
Retiree & family	1,811.70	1,207.78

Premium contributions to the GBP plan for the year ended August 31, 2019 by source are summarized in the following table.

Premium Contributions by Source  
Group Benefits Program Plan  
For the Year Ended August 31, 2019

FY2019 Member (Employee) Contributions	\$	5,693,953
FY2019 District Contributions		4,629,201
FY2018 State of Texas (NECE) Contributions		1,342,879

*Investment Policy:* The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

*Actuarial Assumptions:* The total OPEB liability was determined by an actuarial valuation as of August 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2018
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years
Asset valuation method	Not applicable
Discount rate	3.96%
Projected annual salary increase (includes inflation)	2.50% to 9.50%
Annual healthcare trend rate	7.30% for FY20; 7.40% for FY21; 7.00% for FY22; decreasing 0.50% per year to an ultimate rate of 4.50% for FY27 and later years
Inflation assumption rate	2.50%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of 4 per 100 male members and 2 per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

*Changes Since the Prior Actuarial Valuation:* Changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period were as follows:

- Demographic assumptions including rates of retirement, disability, termination, mortality, and assumed salary increases have been updated to reflect assumptions recently adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary;
- The percentage of current retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and spouses who will elect to participate in the plan at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends;
- The percentage of future retirees assumed to be married and electing coverage for their spouse;
- Assumptions for expenses, assumed per capital Health benefit Costs and Health benefit Cost and Retiree Contribution and expense trends have been updated to reflect recent health plan experience and its effects on short-term expectations;

*Discount Rate:* Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.51%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.96%, which amounted to an increase of 0.45%.

The discount rate was changed from 3.51% to 3.96% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and S&P Global Ratings Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

*Discount Rate Sensitivity Analysis:* The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than or 1 percent greater than the discount rate that was used (3.96%) in measuring the net OPEB liability.

	1% Decrease (2.96%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
District's proportionate share of the net OPEB liability	\$ 193,280,874	\$ 162,799,490	\$ 139,728,511

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

*Healthcare Trend Rate Sensitivity Analysis:* The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than or 1 percent greater than the healthcare cost trend rate that was used (7.3% decreasing to 4.5%) in measuring the net OPEB liability.

	1% decrease in Healthcare Cost Trend Rates (6.3% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.3% decreasing to 4.5%)	1% increase in Healthcare Cost Trend Rates (8.3% decreasing to 5.5%)
District's proportionate share of the net OPEB liability	\$ 137,870,115	\$ 162,799,490	\$ 194,958,435

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* At August 31, 2019, the District reported a liability of \$162,799,490 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 162,799,490
State's proportionate share that is associated with District	138,602,473
Total	\$ 301,401,963

The net OPEB liability was measured as of August 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At the measurement date of August 31, 2018, the District's proportion of the collective net OPEB liability was 0.54929788%, which was an increase of 0.0845375% from its proportion measured as of August 31, 2017.

For the year ended August 31, 2019, the District recognized an offset to OPEB expense and revenue in the amount of \$823,938 for support provided by the State. For the year ended August 31, 2018, the District recognized OPEB expense of \$7,409,043 and OPEB revenue of \$7,409,043 for support provided by the State.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

At August 31, 2019, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 5,964,449
Changes in actuarial assumptions	-	57,049,391
Net difference between projected and actual investment earnings	77,095	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	31,093,299	-
Contributions paid to ERS subsequent to the measurement date*	1,670,443	-
Total	\$ 32,840,837	\$ 63,013,840

\*Represents the amount of the District's employer contributions that were transferred into the SRHP plan by ERS. Actual contributions were \$4,629,201, as reported in the Schedule of OPEB Contributions in the RSI section of this CAFR. For additional information, see the Notes to RSI - Net OPEB Liability.

At August 31, 2018, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,902,953
Changes in actuarial assumptions	-	33,110,729
Net difference between projected and actual investment earnings	46,885	-
Contributions paid to ERS subsequent to the measurement date	4,465,565	-
Total	\$ 4,512,450	\$ 35,013,682

The net amounts of the District's balances of deferred outflows of resources and deferred inflows of resources related to OPEB, other than deferred outflows of resources related to contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year ending August 31,	OPEB Expense Amount
2020	\$ (7,016,044)
2021	(7,016,044)
2022	(7,016,044)
2023	(7,016,044)
2024	(3,421,071)
Thereafter	(358,200)

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 19. 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, 2019 and 2018.

	2019 <sup>(1)</sup>	2018 <sup>(2)</sup>
Assessed valuation of the District	\$ 178,867,725,862	\$ 166,772,148,068
Less : Exemptions	(16,200,271,693)	(14,761,694,685)
Tax increment financings	(203,270,110)	(177,113,903)
Net assessed valuation of the District	\$ 162,464,184,059	\$ 151,833,339,480

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2018 Supplement 200)

(2) Based on most recent Supplement to the Certified Total (ARB Approved 2017 Supplement 187)

The authorized and assessed property tax rates for the years ended August 31, 2019 and 2018 are as follows:

	2019			2018		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax rate per \$100 valuation (authorized)	\$ -	\$ -	\$ 0.25000000	\$ -	\$ -	\$ 0.25000000
Tax rate per \$100 valuation (assessed)	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000

Taxes levied for the years ended August 31, 2019 and 2018 were \$235,123,523 and \$220,999,631, respectively. State law automatically places a tax lien on all taxable property on January 1 of each year to secure payment. Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed, and are subject to penalties and interest.

The tax collection detail at August 31, 2019 and 2018 is as follows:

	2019			2018		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 166,158,078	\$ 63,820,358	\$ 229,978,436	\$ 155,822,207	\$ 59,850,420	\$ 215,672,627
Tax increment financings payment	(324,939)	-	(324,939)	(260,340)	-	(260,340)
Delinquent taxes collected	402,348	165,362	567,710	(15,460)	1,802	(13,658)
Penalties and interest	1,400,791	539,882	1,940,673	1,385,520	536,909	1,922,429
Total	\$ 167,636,278	\$ 64,525,602	\$ 232,161,880	\$ 156,931,927	\$ 60,389,131	\$ 217,321,058

Tax collections for the years ended August 31, 2019 and 2018 were 97.72% and 97.56%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 20. 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, 2019 or 2018.

### 21. OTHER OPERATING REVENUES

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

### 22. COMMITMENTS AND CONTINGENCIES

As of August 31, 2019, 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, 2019 and 2018, the District was committed for approximately \$87,032,000 and \$20,858,000, respectively.

### 23. SUBSEQUENT EVENTS

In November 2019, the District successfully remarketed \$11,300,000 Variable Rate Revenue Financing System Senior Lien Revenue Bonds, Series 2017. The bonds had been originally issued in the amount of \$15,690,000 with a mandatory tender date of November 1, 2019. The amount of the new issue was reduced from the original issued amount by scheduled principal payment and proceeds from the sale of surplus properties. The remaining bonds were converted and remarketed to a new rate through October 31, 2024 and have a mandatory tender date of November 1, 2024. The bonds are subject to optional redemption by the District at par on any interest payment date beginning May 1, 2020.

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

The following footnotes (24A – 24N) are from the audited financial statements of the Alamo Colleges Foundation, Inc. (Foundation) for the years ended December 31, 2018 and 2017. GASB prohibits the use of the term “net assets” and as such, all instances of the term “net assets” were changed to “net position” in order to conform with GASB presentation requirements.

## A – ORGANIZATION

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) under Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 958, *Presentation of Financial Statements of Not-for-Profit Organizations*. Under FASB Accounting Standards update (ASU) 2016-14, the Foundation's net position, support and revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net position of the Foundation is classified and reported as follows:

- *Net Position without donor restrictions* – This is net position that is not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation. The Foundation's board may designate net position without restrictions for specific purposes from time to time.
- *Net Position with donor restrictions* – This is net position that is subject to donor-imposed stipulations that require the passage of time and/or the occurrence of a specific event, for it to be used. When a donor restriction expires, net position with donor restrictions is reclassified to net position without donor restrictions and reported in the statement of activities as net position released from restrictions.

Still, other net position is required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

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

#### Cash and cash equivalents

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

#### Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities as changes in net position without donor restrictions, unless restricted by donor or law. Donated marketable securities are recorded as contributions at their estimated fair value at the date of the donation. Investment return is presented net of investment fees.

The investments of the Foundation are managed under agreement with Morgan Stanley Smith Barney LLC in a manner consistent with the investment goals and policies established by the Board of Directors of the Foundation.

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

#### Contributions receivable

Contributions received are recorded as with donor restrictions and without donor restrictions 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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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 with donor restrictions and without donor restrictions support, depending on the existence and/or nature of donor restrictions.

When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net position with donor restrictions is reclassified to net position without donor restrictions 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 District and does not own any buildings, equipment or other capital assets. See Note I for an estimated amount of in-kind contributions provided by the District that includes an estimate of donated rent. Donated rents are included in the financial statements as in-kind revenue under net position without donor restrictions.

#### Presentation of expenses

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

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

#### Income taxes

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

#### Donated materials, services and facilities

The salaries of certain Foundation employees were donated by the Alamo Colleges District. The District also provides office space and equipment at no cost to the Foundation. The value of these contributed services is provided in Note I and is reported in the financial statements as in-kind revenue under net position without donor restrictions.

#### 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 net position with donor restrictions in the reporting period in which the contribution is recognized.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

When a restriction expires, net position with donor restrictions are reclassified to net position without donor restrictions 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 net position with donor restrictions. In accordance with donor restrictions, income earned from net position with donor restrictions are recorded as net position with donor restrictions until such income is released from restrictions.

#### 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 receivable, the fair value of investments and the allocation of expenses among functional areas.

#### New Pronouncements

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

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 changes the presentation and disclosure requirements to provide qualitative and quantitative data intended to improve financial reporting for not-for-profit entities. The required changes are outlined below:

- Net position presentation now presented in two categories – net position without donor restrictions and net position with donor restrictions;
- Presentation of investment income net of investment expenses;
- Presentation of expenses by both natural and functional classification;
- Disclosure of liquidity and availability of resources;
- Presentation of operating cash flows using either the direct or indirect method; permits the use of the direct method without reconciliation of change in net position to net cash flows from operating activities.

In accordance with ASU No. 2016-14, the Foundation has adjusted the presentation of the financial statements and applied the ASU retrospectively to all periods presented.

The FASB has issued various new or updates to existing accounting guidance in addition to the ASU(s) listed above. The Foundation has considered the new pronouncements and does not believe that any other new or modified principles will have a material impact on the Foundation's reported financial position or operations in the near future.

### C – LIQUIDITY

The Foundation maintains a liquid cash balance in checking accounts in an amount necessary to meet anticipated expenditures for at least the next 30 days. Cash in excess of this amount is invested in short-term investments. The Foundation reconciles the balance of financial assets subject to donor restrictions monthly. Investments are identified and monitored separately as part of the Foundation's monthly financial reporting procedures.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### C – LIQUIDITY (continued)

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures as of December 31, 2018 are as follows:

	2018
Financial assets, at year end	\$ 26,248,419
Less those unavailable for general expenditure within one year due to:	
Endowments invested in perpetuity	(18,426,577)
Subject to appropriation and donor restrictions	(994,645)
Restricted by donor with time or purpose restrictions	(1,354,886)
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,472,311

### D – CONTRIBUTIONS RECEIVABLE

The Foundation reports pledges receivable expected to be collected within one year at net realizable value. Pledges expected to be collected in future years are initially reported at fair value determined using the discounted present value of future contributions. The Foundation provides an allowance for doubtful collections, which is based upon a review of outstanding pledge receivables, historical collection information and existing economic conditions. Pledge receivables are considered past due if they are not received by their payment instrument due date. Delinquent pledges are written off based on individual credit evaluation and specific circumstances of the donor.

Total contributions receivable at December 31, 2018 and 2017 were as follows:

	2018	2017
Promises to give expected to be collected in:		
Less than one year	\$ 286,320	\$ 326,359
One to five years	95,000	56,370
	381,320	382,729
Less discount on promises to give	(3,100)	(999)
Less allowance for uncollectible accounts	(16,008)	-
Net contributions receivable	\$ 362,212	\$ 381,730

The discount rates used in discounting contributions receivable ranged between 2.48% and 2.63% as of December 31, 2018. The discount rates used in discounting contributions receivable ranged between 1.76% and 2.09% as of December 31, 2017.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### E – INVESTMENTS

The composition of the Foundation's investments as of December 31, 2018 and 2017 is as follows:

Type of Security	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Fixed income securities	\$ 5,310,377	\$ 5,323,425	\$ 4,370,834	\$ 4,414,646
Mutual funds/exchange-traded funds	15,845,246	16,779,216	14,959,400	17,527,335
Marketable securities	1,727,706	2,017,724	1,891,758	2,550,332
Total	<u>\$ 22,883,329</u>	<u>\$ 24,120,365</u>	<u>\$ 21,221,992</u>	<u>\$ 24,492,313</u>

Net investment income for the years ended December 31, 2018 and 2017 is comprised of the following:

	2018	2017
Interest and dividend income	\$ 354,505	\$ 370,630
Net (loss)/gain on investments	(1,633,070)	2,510,880
Total	<u>\$ (1,278,565)</u>	<u>\$ 2,881,510</u>

The Foundation elects to net investment expenses with earnings from investments. Total investment expenses in 2018 and 2017 were \$117,301 and \$102,840, respectively.

The Foundation invests in various investment instruments which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the value of investment securities may have occurred subsequent to year end that could materially affect the amounts reported in the statements of financial position.

### F – FUNCTIONAL EXPENSES

The cost of providing the various programs and activities of the Foundation has been summarized on a functional basis in the accompanying statements of activities. Functional expenses categorized by program support and scholarships, general and administrative and fundraising costs for the year ended December 31, 2018 are as follows:

	Program			Total
	Support and Scholarships	General and Administrative	Fundraising	
<b>Year ended December 31, 2018:</b>				
Scholarships and educational support	\$ 2,783,823	\$ -	\$ -	\$ 2,783,823
Salaries and benefits	-	513,028	230,131	743,159
Rent	-	47,029	-	47,029
Professional services	-	20,795	-	20,795
Professional development, fees and subscriptions	-	1,705	-	1,705
Other	-	41,269	18,626	59,895
Total	<u>\$ 2,783,823</u>	<u>\$ 623,826</u>	<u>\$ 248,757</u>	<u>\$ 3,656,406</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### F – FUNCTIONAL EXPENSES (continued)

Functional expenses categorized by program support and scholarships, general and administrative and fundraising costs for the year ended December 31, 2017 are as follows:

	Program			Total
	Support and Scholarships	General and Administrative	Fundraising	
<b>Year ended December 31, 2017:</b>				
Scholarships and educational support	\$ 2,889,319	\$ -	\$ -	\$ 2,889,319
Salaries and benefits	79,023	208,028	115,791	402,842
Rent	-	61,612	-	61,612
Professional services	-	20,105	-	20,105
Professional development, fees and subscriptions	-	2,219	-	2,219
Other	5,029	13,239	9,536	27,804
Total	<u>\$ 2,973,371</u>	<u>\$ 305,203</u>	<u>\$ 125,327</u>	<u>\$ 3,403,901</u>

### G – ENDOWMENT NET POSITION

The Foundation's endowment consists of 181 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net position associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Texas Uniform Prudent Management Institutional Funds Act of 2007 (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net position with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The donor-restricted endowment fund is classified as net position with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Act.

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

1. General economic conditions
2. The possible effects of inflation and deflation
3. The expected tax consequences, if any, of investment decisions or strategies
4. The role that each investment or course of action plays within the overall investment portfolio of the Foundation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The needs of the Foundation and the fund to make distributions and to preserve capital
8. An asset's special relationship or special value, if any, to the charitable purposes of the Foundation

Realized and unrealized investment gains/losses are recorded as net position with donor restrictions.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### G – ENDOWMENT NET POSITION (continued)

Endowment net position and classifications of related unappropriated income at December 31, 2018 and 2017 are as follows:

	Net position without Donor Restrictions	Non-endowed Funds	Accumulated Gains	Endowed Funds	Total
As of December 31, 2018					
Endowment funds	\$ 108,809	\$ 4,275,361	\$ 3,384,524	\$ 18,426,577	\$ 26,195,271
As of December 31, 2017					
Endowment funds	\$ 92,707	\$ 3,889,575	\$ 5,582,081	\$ 17,395,117	\$ 26,959,480

The changes in endowment net position and related income classification for the year ended December 31, 2018 are as follows:

	Net position without Donor Restrictions	Net Position with Donor Restrictions			Total
		Non-endowed Funds	Accumulated Gains	Endowed Funds	
Beginning of year	\$ 92,707	\$ 3,889,575	\$ 5,582,081	\$ 17,395,117	\$ 26,959,480
Contributions	83,575	2,329,449	82,725	825,044	3,320,793
In-kind revenue	849,969	-	-	-	849,969
Investment return:					
Interest and dividends	-	688	353,817	-	354,505
Loss on investments	-	-	(1,633,070)	-	(1,633,070)
Net position released from restrictions	2,760,073	(1,936,171)	(823,902)	-	-
Total revenues	3,693,617	393,966	(2,020,430)	825,044	2,892,197
Expenses and appropriation of endowment assets for expenditure	(3,656,406)	-	-	-	(3,656,406)
Deductions:					
Designated transfers	(21,109)	(8,180)	(177,127)	206,416	-
Increase (decrease) in net position	16,102	385,786	(2,197,557)	1,031,460	(764,209)
End of year	\$ 108,809	\$ 4,275,361	\$ 3,384,524	\$ 18,426,577	\$ 26,195,271

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### G – ENDOWMENT NET POSITION (continued)

The changes in endowment net position and related income classification for the year ended December 31, 2017 are as follows:

	Net position without Donor Restrictions	Net Position with Donor Restrictions			Total
		Non-endowed Funds	Accumulated Gains	Endowed Funds	
Beginning of year	\$ 2,196	\$ 4,544,410	\$ 3,579,596	\$ 16,499,838	\$ 24,626,040
Contributions	94,497	1,608,630	-	662,614	2,365,741
In-kind revenue	490,090	-	-	-	490,090
Investment return:					
Interest and dividends	-	-	370,630	-	370,630
Gain on investments	-	-	2,510,880	-	2,510,880
Net position released from restrictions	<u>2,867,734</u>	<u>(2,096,145)</u>	<u>(771,589)</u>	<u>-</u>	<u>-</u>
Total revenues	3,452,321	(487,515)	2,109,921	662,614	5,737,341
Expenses and appropriation of endowment assets for expenditure	(3,403,901)	-	-	-	(3,403,901)
Deductions:					
Designated transfers	<u>42,091</u>	<u>(167,320)</u>	<u>(107,436)</u>	<u>232,665</u>	<u>-</u>
Increase (decrease) in net position	<u>90,511</u>	<u>(654,835)</u>	<u>2,002,485</u>	<u>895,279</u>	<u>2,333,440</u>
End of year	<u>\$ 92,707</u>	<u>\$ 3,889,575</u>	<u>\$ 5,582,081</u>	<u>\$ 17,395,117</u>	<u>\$ 26,959,480</u>

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, referred to as underwater endowments. As of December 31, 2018 and 2017 the Foundation did not have any such deficiencies.

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

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

Under the laws of the State of Texas, the Board of Directors may appropriate for expenditure, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Directors determines the amount of such appropriation annually. The rate for 2018 and 2017 was 4.25% and 4.00%, respectively. The rate for 2019 has been set at 4.75%.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### H – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

The fair value hierarchy of investments at December 31, 2018 is as follows:

	2018			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 5,323,425	\$ -	\$ 5,323,425
Mutual funds / exchange-traded funds	16,779,216	-	-	16,779,216
Marketable securities	<u>2,017,724</u>	<u>-</u>	<u>-</u>	<u>2,017,724</u>
Total	<u>\$ 18,796,940</u>	<u>\$ 5,323,425</u>	<u>\$ -</u>	<u>\$ 24,120,365</u>

The fair value hierarchy of investments at December 31, 2017 is as follows:

	2017			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 4,414,646	\$ -	\$ 4,414,646
Mutual funds / exchange-traded funds	17,527,335	-	-	17,527,335
Marketable securities	<u>2,550,332</u>	<u>-</u>	<u>-</u>	<u>2,550,332</u>
Total	<u>\$ 20,077,667</u>	<u>\$ 4,414,646</u>	<u>\$ -</u>	<u>\$ 24,492,313</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### I – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTIONS

By agreement, the Alamo Colleges District provides administrative support for Foundation activities at a level determined to be appropriate, but only to the extent of availability of funds within the District's budget. Administrative support provided includes office space and an Executive Director and staff for the Foundation. The total support provided by the District to the Foundation in the fiscal years ended December 31, 2018 and 2017 was valued at approximately \$849,969 and \$490,090, respectively, and is included in the financial statements as net position without restrictions in-kind revenue.

From time to time the Foundation remits scholarship funds to the District to cover tuition, books, and other student fees for specified students. During the years ended December 31, 2018 and 2017, the Foundation remitted a total of \$2,062,641 and \$2,103,127 to the District to fund approximately 3,065 and 2,175 scholarships, respectively. In addition, for the years ended December 31, 2018 and 2017, the Foundation remitted \$659,526 and \$609,936, respectively, to the District for program related costs.

The total scholarship funds due from the Foundation to the District at December 31, 2018 and 2017 was \$45,827 and \$35,335, respectively. These amounts have been included in the due to affiliates balances in the accompanying financial statements.

### J – FUTURE COMMITMENTS

At December 31, 2018, outstanding donor match commitments are as follows:

Year ending December 31,	
2019	25,000
2020	25,000
2021	<u>25,000</u>
Total	<u>\$ 75,000</u>

### K – 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.

### L – RESTRICTED TITLE III AND TITLE V FUNDS

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

### M – NET POSITION WITHOUT RESTRICTIONS

Net position without restrictions is comprised of net position that is not subject to donor-imposed stipulations. The balances comprising net position without restrictions as of December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Net assets without donor restrictions / undesignated	<u>\$ 108,809</u>	<u>\$ 92,707</u>

### N – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, and noted no events which affected the financial statements as of December 31, 2018.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### A – REPORTING ENTITY

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

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

#### B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

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

##### Cash

Cash consists solely of demand deposits held at a bank fully insured by the Federal Deposit Insurance Corporation (FDIC). At August 31, 2019 and 2018, 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, 2019 and 2018.

##### Revenue Recognition and Unearned Revenues

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

##### Operating and Non-operating Expenses

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

##### Use of Estimates

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

## ALAMO COMMUNITY COLLEGE DISTRICT

### Notes to Financial Statements

#### C – CAPITAL ASSETS

Capital assets consist of land and therefore no depreciation is required. Activity for the years ended August 31, 2019 and 2018 was as follows:

	Balance 9/1/17	Increases	Decreases	Balance 8/31/18	Increases	Decreases	Balance 8/31/19
Land	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847

#### D – NONCURRENT LIABILITIES

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

The principal amount of the note is \$2 million, with a maturity date of August 1, 2042 and an interest rate of four percent (4%) per annum. Accrued interest on the note is \$566,667 and \$486,667 at August 31, 2019 and 2018, respectively, payable at maturity.

As of August 31, 2019, noncurrent liabilities are \$4,172,667 with activity for the fiscal year as follows:

	Total Liabilities					Current Portion
	Balance 9/1/18	Additions	Reductions	Balance 8/31/19		
Note payable	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	-
Unearned lease revenue	1,654,000	-	24,000	1,630,000	24,000	24,000
Interest payable	486,667	80,000	-	566,667	-	-
<b>Total liabilities</b>	<b>\$ 4,140,667</b>	<b>\$ 80,000</b>	<b>\$ 24,000</b>	<b>\$ 4,196,667</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>

As of August 31, 2018, noncurrent liabilities are \$4,116,667 with activity for the fiscal year as follows:

	Total Liabilities					Current Portion
	Balance 9/1/17	Additions	Reductions	Balance 8/31/18		
Note payable	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	-
Unearned lease revenue	1,678,000	-	24,000	1,654,000	24,000	24,000
Interest payable	406,667	80,000	-	486,667	-	-
<b>Total liabilities</b>	<b>\$ 4,084,667</b>	<b>\$ 80,000</b>	<b>\$ 24,000</b>	<b>\$ 4,140,667</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### **E – INCOME TAXES**

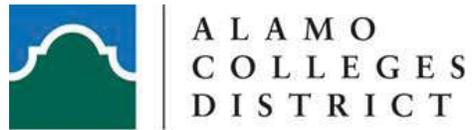
Income earned by the PFC can be excluded from gross income for federal tax purposes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, because its income is from the performance of an essential governmental function and it accrues to a political subdivision.

### **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 District. The LLC leases land from the PFC under a 75-year ground lease, classified as an operating lease, and operates residential housing and retail facilities on the land. In August 2012, the LLC prepaid its ground lease in the amount of \$1.8 million and the PFC recognizes lease revenue on a monthly basis over the life of the lease. The PFC recognized \$24,000 for each year ended August 31, 2019 and 2018. The PFC may receive distributions in the future from the LLC under limited contractual conditions. At the end of the 75-year lease, title to the tenant improvements will pass to the PFC.



## **Required Supplementary Information**



## ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal year ended August 31*,	2019	2018	2017	2016	2015
District's proportionate share of collective net pension liability (%)	0.1513076223%	0.1709877316%	0.1591812086%	0.162917000%	0.181406100%
District's proportionate share of collective net pension liability (\$)	\$ 83,283,387	\$ 54,672,665	\$ 60,152,212	\$ 57,588,991	\$ 48,456,078
State's proportionate share of net pension liability associated with District	67,075,692	31,367,944	34,396,610	31,874,468	25,023,180
Total	150,359,079	86,040,609	94,548,822	89,463,459	73,479,258
District's covered payroll	\$ 135,309,910	\$ 128,722,459	\$ 116,013,872	\$ 109,267,415	\$ 101,833,288
District's proportionate share of collective net pension liability as a percentage of covered payroll	61.55%	42.47%	51.85%	52.70%	47.58%
TRS fiduciary net position as percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule of District Contributions for Pensions  
Last Five Fiscal Years\*\***

<b>Fiscal year ended August 31*</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Legally required contributions	\$ 5,128,423	\$ 5,091,852	\$ 5,603,980	\$ 5,057,590	\$ 4,824,042
Actual contributions	5,128,423	5,091,852	5,603,980	5,057,590	4,824,042
Contributions deficiency (excess)	-	-	-	-	-
District's covered payroll	\$ 139,439,475	\$ 135,309,910	\$ 128,722,459	\$ 116,013,872	\$ 109,267,415
Contributions as a percentage of covered payroll	3.68%	3.76%	4.35%	4.36%	4.41%

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

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

## **ALAMO COMMUNITY COLLEGE DISTRICT**

### **Notes to Required Supplementary Information Net Pension Liability For Year Ended August 31, 2019**

#### **Changes since Prior Actuarial Valuation**

The following changes to actuarial assumptions and other inputs affected the measurement of the amounts reported in the RSI schedules related to pensions:

- The discount rate was changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018
- The long-term assumed rate of return was changed from 8.0% to 7.25%
- Demographic assumptions including post-retirement mortality, termination rates and rates of retirement were updated
- Economic assumptions including rates of salary increase for individual participants were updated

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule of District's Proportionate Share of Net OPEB Liability  
Last 2 Fiscal Years\*\***

<b>Fiscal year ended August 31*,</b>	<b>2019</b>	<b>2018</b>
District's proportionate share of collective net OPEB liability (%)	0.54929788%	0.46476038%
District's proportionate share of collective net OPEB liability (\$)	\$ 162,799,490	\$ 158,357,860
State's proportionate share of net OPEB liability associated with District	138,602,473	138,445,196
Total	<u>301,401,963</u>	<u>296,803,056</u>
District's covered employee payroll	\$ 154,055,166	\$ 150,672,061
District's proportionate share of collective net OPEB liability as a percentage of covered employee payroll	105.68%	105.10%
ERS fiduciary net position as percentage of the total OPEB liability	2.04%	2.04%

\*The amounts presented above are as of the measurement date of the collective net OPEB 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 for OPEB  
Last 2 Fiscal Years\*\***

<b>Fiscal year ended August 31*,</b>	<b>2019</b>	<b>2018</b>
Legally required contributions	\$ 4,629,201	\$ 4,465,565
Actual contributions***	4,629,201	4,465,565
Contributions deficiency (excess)	-	-
District's covered employee payroll	\$ 156,063,712	\$ 154,055,166
Contributions as a percentage of covered employee payroll	2.97%	2.90%

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

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

\*\*\*Due to a change in accounting principle implemented by ERS, District employer contributions transferred into the SRHP plan for postemployment benefits were \$1,670,443, as reported in Footnote 18. For additional information, see Notes to RSI - Net OPEB Liability.

## ALAMO COMMUNITY COLLEGE DISTRICT

### Notes to Required Supplementary Information Net OPEB Liability For the Year Ended August 31, 2019

#### Changes since Prior Actuarial Valuation

The following changes to actuarial assumptions and other inputs affected the measurement of the amounts reported in the RSI schedules related to OPEB:

- The method for calculating the District's proportionate share percentage to be applied to the collective net OPEB liability and plan-level deferred inflows of resources, deferred outflows of resources and collective OPEB expense was changed by ERS to be based on the District's employer contributions made to the plan on behalf of both active employees and retirees. In the previous year, the proportionate share percentage was calculated using only the District's employer contributions made to the plan on behalf of retirees only.
- The discount rate was changed from 3.51% to 3.96% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.
- Demographic assumptions including rates of retirement, disability, termination, mortality and assumed salary increases were updated to reflect assumptions adopted by the most recent experience study.
- The percentage of current retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and spouses who will elect to participate in the plan at the earliest date at which coverage can commence was updated.
- The percentage of future retirees assumed to be married and electing coverage for their spouses was updated.
- Assumptions for expenses, assumed per capital Health benefit Costs and Health benefit Cost and Retiree Contribution and expense trends were updated to reflect recent health plan experience and its effects on short-term expectations.

#### Changes to Benefit Terms

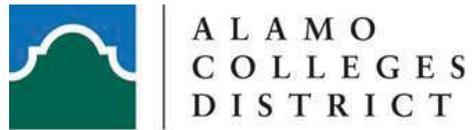
The following benefit revision was adopted since the prior actuarial valuation for HealthSelect retirees and dependents for whom Medicare is not primary:

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,550 to \$6,650 for individuals and from \$13,100 to \$13,300 for families in order to remain consistent with Internal Revenue Service maximums.

#### Change in Accounting Principle

- The ERS system reports the insurance benefits for the active members in the Employees Life, Accident and Health Insurance and Benefits Fund, and retirees in the State Retiree Health Plan. The System prepares a blended premium rate for billing efficiency. Prior to January 2018, employer contributions associated with billings for retired members were deposited to the State Health Fund. However, this arrangement did not take into account the nature of the blended rate. Beginning in February 2018, the System deposits all employer contributions to the Employees Life, Accident and Health Insurance and Benefits Fund. The System will transfer monies from the Employees Life, Accident and Health Insurance and Benefits Fund to the State Retiree Health Plan based on the System's cash flow projections.

## **Supplementary Information**



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule A  
Schedule of Operating Revenues  
For the Year Ended August 31, 2019  
With Memorandum Totals for the Year Ended August 31, 2018**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY19 Total	FY18 Total
<b>OPERATING REVENUES:</b>						
<b>Tuition</b>						
State-funded courses						
In-District resident tuition	\$ 84,385,871	\$ -	\$ 84,385,871	\$ -	\$ 84,385,871	\$ 79,412,536
Out-of-District resident tuition	27,065,146	-	27,065,146	-	27,065,146	26,451,592
Non-resident tuition	9,299,490	-	9,299,490	-	9,299,490	10,823,941
TPEG - credit set aside*	5,486,053	-	5,486,053	-	5,486,053	5,442,763
State-funded continuing education	1,380,435	-	1,380,435	-	1,380,435	1,528,787
TPEG - Non-credit set aside*	88,113	-	88,113	-	88,113	97,077
Non-State-funded continuing education	929,367	-	929,367	-	929,367	1,493,418
Total tuition	<u>128,634,475</u>	<u>-</u>	<u>128,634,475</u>	<u>-</u>	<u>128,634,475</u>	<u>125,250,114</u>
<b>Fees</b>						
Other	5,386,118	-	5,386,118	-	5,386,118	4,361,594
Total fees	<u>5,386,118</u>	<u>-</u>	<u>5,386,118</u>	<u>-</u>	<u>5,386,118</u>	<u>4,361,594</u>
Total tuition and fees	<u>134,020,593</u>	<u>-</u>	<u>134,020,593</u>	<u>-</u>	<u>134,020,593</u>	<u>129,611,708</u>
<b>Allowances and discounts</b>						
Institutional allowances and scholarships	(5,315,180)	-	(5,315,180)	-	(5,315,180)	(4,760,615)
Remissions and exemptions - state	(5,995,779)	-	(5,995,779)	-	(5,995,779)	(5,325,523)
Remissions and exemptions - local - dual credit	(24,046,003)	-	(24,046,003)	-	(24,046,003)	(23,315,843)
Federal grants to students	-	(37,159,605)	(37,159,605)	-	(37,159,605)	(34,365,341)
TPEG awards	-	(817,438)	(817,438)	-	(817,438)	(2,938,330)
State grants to students	-	(1,619,831)	(1,619,831)	-	(1,619,831)	(1,534,126)
Other local awards	(513,030)	(1,871,083)	(2,384,113)	-	(2,384,113)	(2,504,155)
Total allowances and discounts	<u>(35,869,992)</u>	<u>(41,467,957)</u>	<u>(77,337,949)</u>	<u>-</u>	<u>(77,337,949)</u>	<u>(74,743,933)</u>
Total net tuition and fees	<u>98,150,601</u>	<u>(41,467,957)</u>	<u>56,682,644</u>	<u>-</u>	<u>56,682,644</u>	<u>54,867,775</u>
<b>Other operating revenues</b>						
Federal grants and contracts	932,457	17,230,508	18,162,965	-	18,162,965	17,182,362
State grants and contracts	-	1,426,133	1,426,133	-	1,426,133	444,595
Local grants and contracts	1,156,929	398,103	1,555,032	-	1,555,032	1,869,458
Non-governmental grants and contracts	13,000	462,341	475,341	-	475,341	555,896
Other operating revenues	6,441,339	-	6,441,339	-	6,441,339	5,880,454
Total other operating revenues	<u>8,543,725</u>	<u>19,517,085</u>	<u>28,060,810</u>	<u>-</u>	<u>28,060,810</u>	<u>25,932,765</u>
<b>Sales and services of auxiliary enterprises</b>						
Bookstore commission	-	-	-	660,905	660,905	1,047,075
Palo Alto College natatorium	-	-	-	664,356	664,356	573,622
Day care centers	-	-	-	726,057	726,057	568,918
Vending machines and copiers	-	-	-	327,448	327,448	343,745
Campus access fees and fines	-	-	-	2,285,249	2,285,249	2,337,705
Auxiliary-restricted	-	-	-	58,326	58,326	-
Other	-	-	-	391,756	391,756	380,026
Total sales and services of auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,114,097</u>	<u>5,114,097</u>	<u>5,251,091</u>
Total operating revenues	<u>\$ 106,694,326</u>	<u>\$ (21,950,872)</u>	<u>\$ 84,743,454</u>	<u>\$ 5,114,097</u>	<u>\$ 89,857,551</u>	<u>\$ 86,051,631</u>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$5,574,166 and \$5,539,840 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2019 and 2018, respectively.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule B  
Schedule of Operating Expenses by Object  
For the Year Ended August 31, 2019  
With Memorandum Totals for the Year Ended August 31, 2018**

	Salaries and Wages	Benefits		Other Expenses	FY19 Total	FY18 Total
		State	Local			
<b>OPERATING EXPENSES:</b>						
<b>Unrestricted - educational activities</b>						
Instruction	\$ 90,580,700	\$ -	\$ 18,850,836	\$ 13,744,968	\$ 123,176,504	\$ 122,222,294
Public service	845,799	-	154,076	411,335	1,411,210	1,294,470
Academic support	14,644,860	-	3,828,142	5,876,817	24,349,819	22,825,230
Student services	28,849,399	-	7,918,966	9,067,066	45,835,431	42,004,537
Institutional support	41,611,867	-	9,044,118	20,675,963	71,331,948	70,953,450
Operation and maintenance of plant	5,823,864	-	3,163,907	28,504,835	37,492,606	43,220,411
Scholarships and fellowships	-	-	-	511,544	511,544	341,949
<b>Total unrestricted educational activities</b>	<b>182,356,489</b>	<b>-</b>	<b>42,960,045</b>	<b>78,792,528</b>	<b>304,109,062</b>	<b>302,862,341</b>
<b>Restricted - educational activities</b>						
Instruction	2,369,378	8,156,799	265,465	3,235,757	14,027,399	16,207,818
Public service	-	84,612	-	19,136	103,748	105,817
Academic support	1,822,733	1,665,501	325,018	1,501,512	5,314,764	4,501,074
Student services	4,182,411	3,412,828	88,697	1,425,973	9,109,909	8,926,718
Institutional support	1,373,369	4,300,711	90,001	1,564,007	7,328,088	8,293,231
Operation and maintenance of plant	-	-	-	3,265,197	3,265,197	2,352,066
Scholarships and fellowships	-	-	-	56,313,872	56,313,872	54,792,987
<b>Total restricted educational activities</b>	<b>9,747,891</b>	<b>17,620,451</b>	<b>769,181</b>	<b>67,325,454</b>	<b>95,462,977</b>	<b>95,179,711</b>
<b>Total educational activities</b>	<b>192,104,380</b>	<b>17,620,451</b>	<b>43,729,226</b>	<b>146,117,982</b>	<b>399,572,039</b>	<b>398,042,052</b>
Auxiliary enterprises - unrestricted	838,820	-	275,616	315,316	1,429,752	1,817,942
Auxiliary enterprises - restricted	1,231	-	191	209,320	210,742	112,074
Depreciation expense - buildings	-	-	-	28,550,163	28,550,163	28,462,611
Depreciation expense - equipment	-	-	-	3,830,177	3,830,177	3,553,460
<b>Total operating expenses</b>	<b>\$ 192,944,431</b>	<b>\$ 17,620,451</b>	<b>\$ 44,005,033</b>	<b>\$ 179,022,958</b>	<b>\$ 433,592,873</b>	<b>\$ 431,988,139</b>
					(Exhibit 2)	(Exhibit 2)

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule C  
Schedule of Non-Operating Revenues and Expenses  
For the Year Ended August 31, 2019  
With Memorandum Totals for the Year Ended August 31, 2018**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY19 Total	FY18 Total
<b>NON-OPERATING REVENUES:</b>						
State appropriations						
Education and general state support	\$ 59,906,511	\$ -	\$ 59,906,511	\$ -	\$ 59,906,511	\$ 63,589,476
State group insurance	-	9,200,803	9,200,803	-	9,200,803	16,902,106
State retirement match	-	7,646,334	7,646,334	-	7,646,334	3,426,680
Ad valorem taxes						
Taxes for maintenance and operations	167,473,259	-	167,473,259	-	167,473,259	156,508,206
Taxes for maintenance and operations-MTN	9,072,244	-	9,072,244	-	9,072,244	9,550,682
Taxes for debt service	-	55,390,744	55,390,744	-	55,390,744	50,675,699
Federal revenue, non-operating	-	93,921,320	93,921,320	-	93,921,320	86,811,730
State revenue, non-operating	-	3,610,130	3,610,130	-	3,610,130	4,178,341
Gifts	750	405,143	405,893	-	405,893	250,041
Investment income	4,872,658	4,160,504	9,033,162	-	9,033,162	6,148,068
Total non-operating revenues	<u>241,325,422</u>	<u>174,334,978</u>	<u>415,660,400</u>	<u>-</u>	<u>415,660,400</u>	<u>398,041,029</u>
<b>NON-OPERATING EXPENSES:</b>						
Interest on capital-related debt	-	(19,845,187)	(19,845,187)	-	(19,845,187)	(18,892,924)
Interest on capital-related debt-MTN	(2,637,244)	-	(2,637,244)	-	(2,637,244)	(3,420,682)
Gain (loss) on disposal of capital assets	-	548,200	548,200	-	548,200	(8,861)
Other non-operating expenses	-	(3,821,253)	(3,821,253)	-	(3,821,253)	(2,758,271)
Total non-operating expenses	<u>(2,637,244)</u>	<u>(23,118,240)</u>	<u>(25,755,484)</u>	<u>-</u>	<u>(25,755,484)</u>	<u>(25,080,738)</u>
Net non-operating revenues	<u>\$ 238,688,178</u>	<u>\$ 151,216,738</u>	<u>\$ 389,904,916</u>	<u>\$ -</u>	<u>\$ 389,904,916</u>	<u>\$ 372,960,291</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, 2019  
With Memorandum Totals for the Year Ended August 31, 2018**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ (174,610,222)	\$ -	\$ -	\$ -	\$ (174,610,222)	\$ -	\$ (174,610,222)
Board-designated	3,171,169	-	-	-	3,171,169	-	3,171,169
Restricted	-	9,112,112	-	-	9,112,112	-	9,112,112
Auxiliary enterprises	5,547,271	-	-	-	5,547,271	-	5,547,271
Loan	203,398	-	-	-	203,398	-	203,398
Plant:							
Unexpended	9,641,980	-	-	-	9,641,980	-	9,641,980
Renewals	71,693	-	-	-	71,693	-	71,693
Debt service	-	11,185,582	-	-	11,185,582	-	11,185,582
Investment in plant	-	-	-	318,709,512	318,709,512	-	318,709,512
<b>Total net position, August 31, 2019</b>	<b>(155,974,711)</b>	<b>20,297,694</b>	<b>-</b>	<b>318,709,512</b>	<b>183,032,495</b> (Exhibit 1)	<b>-</b>	<b>183,032,495</b>
<b>Total net position, August 31, 2018</b>	<b>(158,554,003)</b>	<b>19,840,134</b>		<b>275,576,770</b>	<b>136,862,901</b> (Exhibit 1)	<b>-</b>	<b>136,862,901</b>
<b>Net increase in net position</b>	<b>\$ 2,579,292</b>	<b>\$ 457,560</b>	<b>\$ -</b>	<b>\$ 43,132,742</b>	<b>\$ 46,169,594</b> (Exhibit 2)	<b>\$ -</b>	<b>\$ 46,169,594</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2019**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. DEPARTMENT OF EDUCATION</b>					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 3,485,265	\$ -	\$ 3,485,265	\$ - *
Federal Work-Study Program	84.033	3,252,741	-	3,252,741	- *
Federal Pell Grant Program	84.063	87,183,314	-	87,183,314	- *
Federal Direct Student Loans	84.268	20,614,727	-	20,614,727	- *
Total Student Financial Assistance Cluster		114,536,047	-	114,536,047	-
TRIO Cluster					
TRIO Student Support Services	84.042	456,968	-	456,968	-
TRIO Talent Search	84.044	279,100	-	279,100	-
TRIO Upward Bound	84.047	1,665,331	-	1,665,331	-
Total TRIO Cluster		2,401,399	-	2,401,399	-
Adult Education - Basic Grants to States					
Texas Workforce Commission 2019AEL000 Education Service Center Region 20 N/A	84.002	-	-	-	-
		-	74,288	74,288	-
		-	910,202	910,202	-
Total	84.002	-	984,490	984,490	-
Higher Education Institutional Aid					
Our Lady of the Lake University EXITOS	84.031	7,280,159	-	7,280,159	37,914
University of Texas at San Antonio 1000000934 1000002502		-	399,910	399,910	-
		-	51,909	51,909	-
		-	49,257	49,257	-
Total	84.031	7,280,159	501,076	7,781,235	37,914
Career and Technical Education -- Basic Grants to States					
Texas Higher Education Coordinating Board 20715	84.048	-	-	-	-
		-	1,639,373	1,639,373	-
Total	84.048	-	1,639,373	1,639,373	-
Fund for the Improvement of Postsecondary Education					
Education Research, Development and Dissemination Texas Higher Education Coordinating Board GM10155_150692	84.305	-	-	-	-
		-	7,128	7,128	-
Total	84.305	-	7,128	7,128	-
Child Care Access Means Parents in Schools	84.335	429,274	-	429,274	-
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<b>124,686,228</b>	<b>3,132,067</b>	<b>127,818,295</b>	<b>37,914</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
Hispanic Serving Institutions Education Grants					
Texas State University 17004-82646-1 17005-82646-1	10.223	-	-	-	-
		-	16,961	16,961	-
		-	14,000	14,000	-
Total	10.223	-	30,961	30,961	-
Child and Adult Care Food Program					
Texas Department of Agriculture 75N8022	10.558	-	-	-	-
		-	19,742	19,742	-
Total	10.558	-	19,742	19,742	-
Soil and Water Conservation					
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>	10.902	<b>14,513</b>	<b>-</b>	<b>14,513</b>	<b>-</b>
		<b>14,513</b>	<b>50,703</b>	<b>65,216</b>	<b>-</b>

\*Major program

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2019**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. DEPARTMENT OF COMMERCE</b>					
Economic Development Cluster					
Investments for Public Works and Economic Development Facilities	11.300	\$ (50,778)	\$ -	\$ (50,778)	\$ -
Total Economic Development Cluster		(50,778)	-	(50,778)	-
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>		<b>(50,778)</b>	<b>-</b>	<b>(50,778)</b>	<b>-</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>					
Information Security Grants	12.902	230,453	-	230,453	-
GenCyber Grants Program	12.903	25,511	-	25,511	-
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>		<b>255,964</b>	<b>-</b>	<b>255,964</b>	<b>-</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus					
	16.525	70,710	-	70,710	-
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>		<b>70,710</b>	<b>-</b>	<b>70,710</b>	<b>-</b>
<b>U.S. DEPARTMENT OF LABOR</b>					
WIOA Cluster					
WIOA Dislocated Worker Formula Grants	17.278	-	-	-	-
Texas Workforce Commission					
2019ATP000		-	40,549	40,549	-
Total WIOA Cluster and CFDA Total	17.278	-	40,549	40,549	-
H-1B Job Training Grants	17.268	442,655	-	442,655	306,624
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>		<b>442,655</b>	<b>40,549</b>	<b>483,204</b>	<b>306,624</b>
<b>U.S. DEPARTMENT OF STATE</b>					
Public Diplomacy Programs					
Partners Of The Americas Inc	19.040	-	-	-	-
100K-292COL-1					
		-	8,559	8,559	-
Total	19.040	-	8,559	8,559	-
<b>TOTAL U.S. DEPARTMENT OF STATE</b>		<b>-</b>	<b>8,559</b>	<b>8,559</b>	<b>-</b>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>					
Promotion of the Arts Grants to Organizations and Individuals					
	45.024	10,000	-	10,000	-
<b>TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES</b>		<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>
<b>NATIONAL SCIENCE FOUNDATION</b>					
Research & Development Cluster					
Education and Human Resources	47.076	1,084,133	-	1,084,133	64,755
Total Research & Development Cluster		1,084,133	-	1,084,133	64,755
Education and Human Resources	47.076	-	-	-	-
Texas A&M University					
M1401786 - 5		-	25,554	25,554	-
Total	47.076	-	25,554	25,554	-
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>		<b>1,084,133</b>	<b>25,554</b>	<b>1,109,687</b>	<b>64,755</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2019**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	\$ -	\$ -	\$ -	\$ -
Texas Workforce Commission					
2018TAN004		-	9,425	9,425	-
2019SMP002		-	38,509	38,509	-
Education Service Center Region 20					
N/A		-	24,650	24,650	-
Total TANF Cluster and CFDA Total	93.558	-	72,584	72,584	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	-	-	-	-
Healthy Futures of Texas					
HFTX PRIME AWRD 90AK0050-01-00		-	46,369	46,369	-
HFTX PRIME AWRD 90AK0050-04-00		-	164,531	164,531	-
Total	93.092	-	210,900	210,900	-
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	2,461,564	-	2,461,564	479,643
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	49,692	-	49,692	34,225
University of Texas at Austin					
UTA17-000808		-	11,639	11,639	-
Total	93.243	49,692	11,639	61,331	34,225
<b>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>		<b>2,511,256</b>	<b>295,123</b>	<b>2,806,379</b>	<b>513,868</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>					
AmeriCorps	94.006	-	-	-	-
Public Allies Inc					
OP021-94.006-18-PASA		-	29,397	29,397	-
OP021-94.006-19-PASA		-	92,379	92,379	-
Total	94.006	-	121,776	121,776	-
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		<b>-</b>	<b>121,776</b>	<b>121,776</b>	<b>-</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 129,024,681</b>	<b>\$ 3,674,331</b>	<b>\$ 132,699,012</b>	<b>\$ 923,161</b>

See Report of Independent Certified Public Accountants and accompanying notes to Schedule of Expenditures of Federal Awards.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E**  
**Notes to Schedule of Expenditures of Federal Awards – (Continued)**  
**For the Year Ended August 31, 2019**

**1. FEDERAL ASSISTANCE RECONCILIATION**

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 18,162,965
Add: Non-Operating Revenues - federal revenue, non-operating - per Schedule C	<u>93,921,320</u>
Total Federal Revenues per Schedule A and C	112,084,285
Reconciling Items:	
Add: Federal Direct Student Loans	20,614,727
Less: Federal contracts (Note 3 below)	<u>-</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 132,699,012</u>

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

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

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

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

**4. FEDERAL DIRECT STUDENT LOAN PROGRAM**

The District participates in the Federal Direct Student Loans program (CFDA 84.268). Loans under the Federal Direct Student Loans program are made directly by the federal government to students. Loans disbursed during the fiscal year ended August 31, 2019 totaled \$20,614,727 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, 2019**

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

U.S. Department of Education		
Passed through Higher Education Institutional Aid (CFDA 84.031) to:		
University of Texas at San Antonio		\$ 37,914
	Total	<u>37,914</u>
U.S. Department of Labor		
Passed through H-1B Job Training Grants (CFDA 17.268) to:		
Codeup LLC		199,500
Project Quest		<u>107,124</u>
	Total	306,624
National Science Foundation		
Passed through Education and Human Resources (CFDA 47.076) to:		
Penn State University		50,016
Southwest Research Institute		<u>14,739</u>
	Total	64,755
U.S. Department of Health & Human Services		
Passed through Affordable Care Act (ACA) Health Profession Opportunity Grants (CFDA 93.093) to:		
Family Service		7,454
Project Quest		235,375
San Antonio Housing Authority		87,335
Goodwill Industries of San Antonio		120,124
Prospera Housing		16,923
Alamo Workforce Development		12,432
Passed through Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA 93.243) to:		
Bexar County Hospital District		18,605
San Antonio Aids Foundation		5,620
San Antonio Fighting Back		<u>10,000</u>
	Total	513,868
	Total Amounts Passed-Through	<u>\$ 923,161</u>

**6. NONCASH AWARDS**

There were no federal noncash awards in fiscal year 2019 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, 2019**

State Grantor/Pass-Through Grantor/Program Title	Grantor's Award Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>					
Comprehensive College Readiness and Success Model for the 60x30TX	17405	\$ 33,253	\$ -	\$ 33,253	\$ -
Comprehensive College Readiness and Success Model for the 60x30TX	18671	57,997	-	57,997	-
Comprehensive College Readiness and Success Model for the 60x30TX	20521	65,410	-	65,410	-
Total Comprehensive College Readiness and Success Model for the 60x30TX		156,660	-	156,660	-
Educational Aide Exemption		19,937	-	19,937	-
Nursing Shortage Reduction Program - Under 70 Pathways	9953	10,749	-	10,749	-
Texas College Work Study		226,587	-	226,587	-
Texas Equalization Opportunity Grant Initial		2,227,667	-	2,227,667	- *
Texas Equalization Opportunity Grant Renewal		1,135,940	-	1,135,940	- *
Texas-Science, Technology, Engineering, and Math (T-STEM) Challenge Scholarship Program	16893	378,410	-	378,410	- *
<b>TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD</b>		<b>4,326,030</b>	<b>-</b>	<b>4,326,030</b>	<b>-</b>
<b>TEXAS WORKFORCE COMMISSION</b>					
Apprenticeship Training Program	2019ATP000	41,592	-	41,592	-
Skills Development Fund	2017SDF000	17,743	-	17,743	-
Skills Development Fund	2017SDF002	11,511	-	11,511	-
Skills Development Fund	2018SDF000	54,926	-	54,926	-
Skills Development Fund	2018SDF001	364,577	-	364,577	-
Skills Development Fund	2019SDF000	82,342	-	82,342	-
Skills Development Fund	2019SDF001	15,875	-	15,875	-
Total Skills Development Fund		546,974	-	546,974	-
Skills for Small Business	2018SSD000	48,520	-	48,520	-
Total Skills for Small Business		48,520	-	48,520	-
<b>Education Service Center Region 20</b>					
Adult Education & Literacy	N/A	-	73,147	73,147	-
<b>TOTAL TEXAS WORKFORCE COMMISSION</b>		<b>637,086</b>	<b>73,147</b>	<b>710,233</b>	<b>-</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 4,963,116</b>	<b>\$ 73,147</b>	<b>\$ 5,036,263</b>	<b>\$ -</b>

\*Major program

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Notes to Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2019**

**1. STATE ASSISTANCE RECONCILIATION**

Other Operating Revenues - state grants and contracts - per Schedule A	\$ 1,426,133
Add: Non-Operating Revenues - state revenue, non-operating - per Schedule C	<u>3,610,130</u>
Total State Revenues per Schedule A and C	5,036,263
Reconciling Items:	
Less: State contracts (Note 3 below)	<u>-</u>
Total State Expenditures per Schedule of Expenditures of State Awards	<u><u>\$ 5,036,263</u></u>

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

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

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

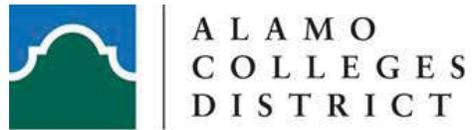
The District did not receive any state contracts, \$0.

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

There were no state noncash awards received in fiscal year 2019.



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



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Operating Revenues by Location**  
**For the Year Ended August 31, 2019**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>OPERATING REVENUES:</b>							
<b>Tuition</b>							
State-funded courses							
In-District resident tuition	\$ -	\$ 25,561,113	\$ 15,552,846	\$ 12,644,318	\$ 24,461,816	\$ 6,165,778	\$ 84,385,871
Out-of-District resident tuition	-	6,317,844	6,686,786	4,359,726	3,899,682	5,801,108	27,065,146
Non-resident tuition	-	2,822,077	2,346,452	1,438,424	1,853,434	839,103	9,299,490
TPEG - credit set aside	-	1,713,297	908,074	782,795	1,454,808	627,079	5,486,053
State-funded continuing education	1,319,120	-	61,315	-	-	-	1,380,435
TPEG - non-credit set aside	88,113	-	-	-	-	-	88,113
Non-State-funded continuing education	639,127	-	232,987	57,253	-	-	929,367
<b>Total tuition</b>	<b>2,046,360</b>	<b>36,414,331</b>	<b>25,788,460</b>	<b>19,282,516</b>	<b>31,669,740</b>	<b>13,433,068</b>	<b>128,634,475</b>
<b>Fees</b>							
Other	2,307,578	974,051	541,046	414,563	829,484	319,396	5,386,118
<b>Total fees</b>	<b>2,307,578</b>	<b>974,051</b>	<b>541,046</b>	<b>414,563</b>	<b>829,484</b>	<b>319,396</b>	<b>5,386,118</b>
<b>Total tuition and fees</b>	<b>4,353,938</b>	<b>37,388,382</b>	<b>26,329,506</b>	<b>19,697,079</b>	<b>32,499,224</b>	<b>13,752,464</b>	<b>134,020,593</b>
<b>Allowances and discounts</b>							
Institutional allowances and scholarships	(57,373)	(1,695,775)	(914,122)	(768,471)	(1,451,880)	(427,559)	(5,315,180)
Remissions and exemptions - state	-	(1,908,802)	(1,069,560)	(887,646)	(1,352,319)	(777,452)	(5,995,779)
Remissions and exemptions - local - dual credit	-	(4,292,569)	(7,757,827)	(5,117,012)	(4,899,190)	(1,979,405)	(24,046,003)
Federal grants to students	-	(12,057,462)	(6,147,876)	(6,602,069)	(9,335,755)	(3,016,443)	(37,159,605)
TPEG awards	-	(265,240)	(135,241)	(145,233)	(205,368)	(66,356)	(817,438)
State grants to students	-	(525,599)	(267,993)	(287,792)	(406,957)	(131,490)	(1,619,831)
Other local awards	(1,911,485)	(278,876)	(96,048)	(97,704)	-	-	(2,384,113)
<b>Total allowances and discounts</b>	<b>(1,968,858)</b>	<b>(21,024,323)</b>	<b>(16,388,667)</b>	<b>(13,905,927)</b>	<b>(17,651,469)</b>	<b>(6,398,705)</b>	<b>(77,337,949)</b>
<b>Total net tuition and fees</b>	<b>2,385,080</b>	<b>16,364,059</b>	<b>9,940,839</b>	<b>5,791,152</b>	<b>14,847,755</b>	<b>7,353,759</b>	<b>56,682,644</b>
<b>Other operating revenues</b>							
Federal grants and contracts	4,218,173	4,913,529	4,541,859	3,052,870	1,342,911	93,623	18,162,965
State grants and contracts	1,115,799	103,860	107,811	33,253	65,410	-	1,426,133
Local grants and contracts	1,270,105	284,927	-	-	-	-	1,555,032
Non-governmental grants and contracts	340,040	52,672	29,999	24,585	26,035	2,010	475,341
Other operating revenues	2,766,828	1,310,450	691,689	1,054,586	403,101	214,685	6,441,339
<b>Total other operating revenues</b>	<b>9,710,945</b>	<b>6,665,438</b>	<b>5,371,358</b>	<b>4,165,294</b>	<b>1,837,457</b>	<b>310,318</b>	<b>28,060,810</b>
<b>Sales and services of auxiliary enterprises</b>							
Bookstore commission	-	108,931	133,416	110,955	234,515	73,088	660,905
Palo Alto College natatorium	-	-	-	664,356	-	-	664,356
Day care centers	-	353,250	153,282	219,525	-	-	726,057
Vending machines and copiers	17,830	84,140	74,243	47,838	88,033	15,364	327,448
Campus access fees and fines	(100,316)	819,667	346,532	321,913	659,899	237,554	2,285,249
Auxiliary-restricted	-	1,200	1,931	55,195	-	-	58,326
Other	35	243,059	24,895	49,939	56,028	17,800	391,756
<b>Total sales and services of auxiliary enterprises</b>	<b>(82,451)</b>	<b>1,610,247</b>	<b>734,299</b>	<b>1,469,721</b>	<b>1,038,475</b>	<b>343,806</b>	<b>5,114,097</b>
<b>Total operating revenues</b>	<b>\$ 12,013,574</b>	<b>\$ 24,639,744</b>	<b>\$ 16,046,496</b>	<b>\$ 11,426,167</b>	<b>\$ 17,723,687</b>	<b>\$ 8,007,883</b>	<b>\$ 89,857,551</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Operating Expenses by Location**  
**For the Year Ended August 31, 2019**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	\$ 6,040,766	\$ 43,196,915	\$ 31,293,704	\$ 18,942,004	\$ 27,501,216	\$ 10,229,298	\$ 137,203,903
Public service	35,993	1,332,889	131,131	12,684	713	1,548	1,514,958
Academic support	1,404,891	6,726,698	6,077,311	2,867,656	9,506,599	3,081,428	29,664,583
Student services	10,519,660	13,264,349	8,149,804	9,854,430	9,286,773	3,870,324	54,945,340
Institutional support	49,027,467	10,796,916	6,422,718	5,028,097	4,558,452	2,826,386	78,660,036
Operation and maintenance of plant	9,219,991	8,555,504	9,087,082	5,386,879	4,784,517	3,723,830	40,757,803
Scholarships and fellowships	-	19,470,292	8,985,781	10,224,587	14,509,138	3,635,618	56,825,416
Total educational activities	76,248,768	103,343,563	70,147,531	52,316,337	70,147,408	27,368,432	399,572,039
Auxiliary enterprises	10,329	247,542	162,110	1,202,425	17,019	1,069	1,640,494
Depreciation expense - buildings	845,163	7,179,717	7,554,874	5,027,424	4,519,513	3,423,472	28,550,163
Depreciation expense - equipment	1,579,954	671,504	1,081,755	161,630	239,990	95,344	3,830,177
Total operating expenses	\$ 78,684,214	\$ 111,442,326	\$ 78,946,270	\$ 58,707,816	\$ 74,923,930	\$ 30,888,317	\$ 433,592,873

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Non-Operating Revenues and Expenses by Location**  
**For the Year Ended August 31, 2019**  
**(Unaudited)**

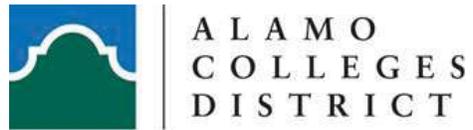
	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>NON-OPERATING REVENUES:</b>							
State appropriations							
Education and general state support	\$ -	\$ 18,005,244	\$ 12,478,693	\$ 8,770,542	\$ 16,030,728	\$ 4,621,304	\$ 59,906,511
State group insurance	(2,312,839)	3,714,923	2,547,200	1,743,015	2,354,308	1,154,196	9,200,803
State retirement match	3,444,787	1,310,376	969,957	637,001	898,981	385,232	7,646,334
Ad valorem taxes							
Taxes for maintenance and operations	53,239,407	32,590,300	31,225,595	19,845,357	19,146,632	11,425,968	167,473,259
Taxes for maintenance notes	2,884,047	1,765,459	1,691,531	1,075,049	1,037,198	618,960	9,072,244
Taxes for debt service	17,608,601	10,779,040	10,327,676	6,563,731	6,332,628	3,779,068	55,390,744
Federal revenue, non-operating	-	31,578,235	15,019,869	16,698,794	23,764,861	6,859,561	93,921,320
State revenue, non-operating	-	1,428,980	609,556	663,656	900,564	7,374	3,610,130
Gifts	126,098	53,081	2,305	183,079	21,011	20,319	405,893
Investment income	8,950,556	26,250	14,311	13,357	19,925	8,763	9,033,162
Total non-operating revenues	<u>83,940,657</u>	<u>101,251,888</u>	<u>74,886,693</u>	<u>56,193,581</u>	<u>70,506,836</u>	<u>28,880,745</u>	<u>415,660,400</u>
<b>NON-OPERATING EXPENSES:</b>							
Interest on capital-related debt	(2,503,268)	(4,155,029)	(3,690,063)	(3,151,985)	(3,534,448)	(2,810,394)	(19,845,187)
Interest on maintenance tax notes	(332,660)	(552,166)	(490,376)	(418,870)	(469,696)	(373,476)	(2,637,244)
Gain (loss) on disposal of capital assets	(64,854)	607,080	2,542	-	3,600	(168)	548,200
Other non-operating expenses	(2,977,729)	(634,000)	(336,602)	127,800	(722)	-	(3,821,253)
Total non-operating expenses	<u>(5,878,511)</u>	<u>(4,734,115)</u>	<u>(4,514,499)</u>	<u>(3,443,055)</u>	<u>(4,001,266)</u>	<u>(3,184,038)</u>	<u>(25,755,484)</u>
Net non-operating revenues	<u>\$ 78,062,146</u>	<u>\$ 96,517,773</u>	<u>\$ 70,372,194</u>	<u>\$ 52,750,526</u>	<u>\$ 66,505,570</u>	<u>\$ 25,696,707</u>	<u>\$ 389,904,916</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Capital Assets by Asset Types**  
**For the Year Ended August 31, 2019**  
**(Unaudited)**

	Balance 9/1/2018	Additions	Deletions	Balance 8/31/2019
<i>Land:</i>				
San Antonio College	\$ 11,578,670	\$ 935,207	\$ 19,000	\$ 12,494,877
St. Philip's College	6,183,345	-	-	6,183,345
Palo Alto College	6,727,257	-	-	6,727,257
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	4,391,510	-	18,093,193
<b>Total land</b>	<b>57,960,425</b>	<b>5,326,717</b>	<b>19,000</b>	<b>63,268,142</b>
<i>Buildings and building improvements:</i>				
San Antonio College	234,974,208	-	-	234,974,208
St. Philip's College	206,723,167	184,572	-	206,907,739
Palo Alto College	135,473,666	-	-	135,473,666
Northwest Vista College	132,908,297	-	-	132,908,297
Northeast Lakeview College	117,273,693	-	-	117,273,693
North Central Campus	-	-	-	-
District offices	29,403,523	63,068,180	-	92,471,703
<b>Total buildings and building improvements</b>	<b>856,756,554</b>	<b>63,252,752</b>	<b>-</b>	<b>920,009,306</b>
<i>Other real estate improvements:</i>				
San Antonio College	28,718,402	145,000	-	28,863,402
St. Philip's College	28,704,717	-	-	28,704,717
Palo Alto College	20,336,721	1,050,365	-	21,387,086
Northwest Vista College	34,186,559	959,378	-	35,145,937
Northeast Lakeview College	16,530,899	-	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	6,526,335	4,158,734	-	10,685,069
<b>Total other real estate improvements</b>	<b>135,199,353</b>	<b>6,313,477</b>	<b>-</b>	<b>141,512,830</b>
<i>Furniture, machinery and equipment:</i>				
San Antonio College	7,418,436	446,523	336,558	7,528,401
St. Philip's College	14,526,533	530,850	157,263	14,900,120
Palo Alto College	2,452,469	187,626	-	2,640,095
Northwest Vista College	2,277,615	117,467	99,097	2,295,985
Northeast Lakeview College	778,092	10,950	10,070	778,972
North Central Campus	-	-	-	-
District offices	16,172,185	657,142	1,617,435	15,211,892
<b>Total furniture, machinery and equipment</b>	<b>43,625,330</b>	<b>1,950,558</b>	<b>2,220,423</b>	<b>43,355,465</b>
<i>Software:</i>				
San Antonio College	83,577	-	-	83,577
St. Philip's College	60,319	-	-	60,319
Palo Alto College	9,408	-	-	9,408
District-wide	3,049,275	-	-	3,049,275
<b>Total software</b>	<b>3,202,579</b>	<b>-</b>	<b>-</b>	<b>3,202,579</b>
<i>Library materials:</i>				
San Antonio College	5,999,260	28,025	364,998	5,662,287
St. Philip's College	4,661,642	2,206	120,957	4,542,891
Palo Alto College	3,710,730	98	7,720	3,703,108
Northwest Vista College	926,231	30,179	-	956,410
Northeast Lakeview College	811,282	65,699	-	876,981
<b>Total library materials</b>	<b>16,109,145</b>	<b>126,207</b>	<b>493,675</b>	<b>15,741,677</b>
<i>Works of art:</i>				
San Antonio College	247,239	-	-	247,239
St. Philip's College	119,250	-	-	119,250
Palo Alto College	18,971	-	-	18,971
<b>Total works of art</b>	<b>385,460</b>	<b>-</b>	<b>-</b>	<b>385,460</b>
<i>Construction in progress:</i>				
San Antonio College	909,470	5,086,228	-	5,995,698
St. Philip's College	1,137,187	18,118,962	-	19,256,149
Palo Alto College	1,047,302	1,415,776	740,063	1,723,015
Northwest Vista College	1,019,870	9,154,298	482,130	9,692,038
Northeast Lakeview College	262,702	959,349	-	1,222,051
North Central Campus	-	-	-	-
District offices	40,587,912	2,264,885	40,217,582	2,635,215
<b>Total construction in progress</b>	<b>44,964,443</b>	<b>36,999,498</b>	<b>41,439,775</b>	<b>40,524,166</b>
<b>Grand total</b>	<b>\$ 1,158,203,289</b>	<b>\$ 113,969,209</b>	<b>\$ 44,172,873</b>	<b>\$ 1,227,999,625</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Capital Assets by Location**  
**For the Year Ended August 31, 2019**  
**(Unaudited)**

	Balance 9/1/2018	Additions	Deletions	Balance 8/31/2019
<i>San Antonio College:</i>				
Land	\$ 11,578,670	\$ 935,207	\$ 19,000	\$ 12,494,877
Buildings and building improvements	234,974,208	-	-	234,974,208
Other real estate improvements	28,718,402	145,000	-	28,863,402
Furniture, machinery and equipment	7,418,436	446,523	336,558	7,528,401
Software	83,577	-	83,577	-
Library materials	5,999,260	28,025	364,998	5,662,287
Works of art	247,239	-	-	247,239
Construction in progress	909,470	5,086,228	-	5,995,698
<b>Total San Antonio College</b>	<b>289,929,262</b>	<b>6,640,983</b>	<b>720,556</b>	<b>295,849,689</b>
<i>St. Philip's College:</i>				
Land	6,183,345	-	-	6,183,345
Buildings and building improvements	206,723,167	184,572	-	206,907,739
Other real estate improvements	28,704,717	-	-	28,704,717
Furniture, machinery and equipment	14,526,533	530,850	157,263	14,900,120
Software	60,319	-	60,319	-
Library materials	4,661,642	2,206	120,957	4,542,891
Works of art	119,250	-	-	119,250
Construction in progress	1,137,187	18,118,962	-	19,256,149
<b>Total St. Philip's College</b>	<b>262,116,160</b>	<b>18,836,590</b>	<b>278,220</b>	<b>280,674,530</b>
<i>Palo Alto College:</i>				
Land	6,727,257	-	-	6,727,257
Buildings and building improvements	135,473,666	-	-	135,473,666
Other real estate improvements	20,336,721	1,050,365	-	21,387,086
Furniture, machinery and equipment	2,452,469	187,626	-	2,640,095
Software	9,408	-	9,408	-
Library materials	3,710,730	98	7,720	3,703,108
Works of art	18,971	-	-	18,971
Construction in progress	1,047,302	1,415,776	740,063	1,723,015
<b>Total Palo Alto College</b>	<b>169,776,524</b>	<b>2,653,865</b>	<b>747,783</b>	<b>171,682,606</b>
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings and building improvements	132,908,297	-	-	132,908,297
Other real estate improvements	34,186,559	959,378	-	35,145,937
Furniture, machinery and equipment	2,277,615	117,467	99,097	2,295,985
Library materials	926,231	30,179	-	956,410
Construction in progress	1,019,870	9,154,298	482,130	9,692,038
<b>Total Northwest Vista College</b>	<b>173,035,572</b>	<b>10,261,322</b>	<b>581,227</b>	<b>182,715,667</b>
<i>Northeast Lakeview College:</i>				
Land	5,259,089	-	-	5,259,089
Buildings and building improvements	117,273,693	-	-	117,273,693
Other real estate improvements	16,530,899	-	-	16,530,899
Furniture, machinery and equipment	778,092	10,950	10,070	778,972
Library materials	811,282	65,699	-	876,981
Construction in progress	262,702	959,349	-	1,222,051
<b>Total Northeast Lakeview College</b>	<b>140,915,757</b>	<b>1,035,998</b>	<b>10,070</b>	<b>141,941,685</b>
<i>North Central Campus:</i>				
Land	12,793,381	-	-	12,793,381
Buildings and building improvements	-	-	-	-
Other real estate improvements	195,720	-	-	195,720
Furniture, machinery and equipment	-	-	-	-
Construction in progress	-	-	-	-
<b>Total North Central Campus</b>	<b>12,989,101</b>	<b>-</b>	<b>-</b>	<b>12,989,101</b>
<i>District offices:</i>				
Land	13,701,683	4,391,510	-	18,093,193
Buildings and building improvements	29,403,523	63,068,180	-	92,471,703
Other real estate improvements	6,526,335	4,158,734	-	10,685,069
Furniture, machinery and equipment	16,172,185	657,142	1,617,435	15,211,892
Software	3,049,275	-	-	3,049,275
Construction in progress	40,587,912	2,264,885	40,217,582	2,635,215
<b>Total District offices</b>	<b>109,440,913</b>	<b>74,540,451</b>	<b>41,835,017</b>	<b>142,146,347</b>
<b>Grand total</b>	<b>\$ 1,158,203,289</b>	<b>\$ 113,969,209</b>	<b>\$ 44,172,873</b>	<b>\$ 1,227,999,625</b>



**Statistical Section  
(Unaudited)**



# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Section Introduction

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

### Contents

#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

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

#### Demographic and Economic Information

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

#### Operating Information

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



# ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net investment in capital assets	\$ 318,710	\$ 275,577	\$ 253,835	\$ 210,275	\$ 188,810	\$ 180,647	\$ 170,255	\$ 163,742	\$ 179,050	\$ 182,572
Restricted - expendable	20,298	19,840	10,545	24,591	24,241	18,633	16,410	12,963	11,339	11,212
Unrestricted	(155,975)	(158,554)	30,309	29,847	26,030	86,223	101,383	101,913	83,693	83,547
<b>Total</b>	<b>183,032</b>	<b>136,863</b>	<b>294,689</b>	<b>264,713</b>	<b>239,081</b>	<b>285,503</b>	<b>288,048</b>	<b>278,618</b>	<b>274,082</b>	<b>277,331</b>
Net position, beginning of year <sup>1,2</sup>	136,863	109,839	264,713	239,081	230,602	288,048	278,618	274,082	277,331	273,857
Increase (decrease) in net position	\$ 46,170	\$ 27,024	\$ 29,976	\$ 25,632	\$ 8,479	\$ (2,545)	\$ 9,430	\$ 4,536	\$ (3,249)	\$ 3,474

<sup>1</sup>In fiscal year 2018, net position as of the beginning of the year was restated (reduced) by \$184.9 million for the cumulative effect of applying GASB Statement No. 75.

<sup>2</sup>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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OPERATING REVENUES:</b>										
Tuition and fees (net of discounts)	\$ 56,683	\$ 54,868	\$ 54,367	\$ 57,456	\$ 58,190	\$ 58,801	\$ 64,091	\$ 59,697	\$ 48,917	\$ 58,892
Governmental grants and contracts										
Federal grants and contracts	18,163	17,182	23,876	20,369	11,778	12,766	19,139	20,098	18,364	21,369
State grants and contracts	1,426	445	1,722	1,920	3,948	4,066	3,319	7,061	5,863	2,758
Local grants and contracts	1,555	1,869	4,490	1,945	1,297	1,446	1,954	1,991	1,108	1,438
Non-governmental grants and contracts	475	556	369	585	413	540	369	1,267	1,288	1,656
Investment income	-	-	-	-	-	-	-	-	-	4
Auxiliary enterprises	5,114	5,251	4,932	5,128	4,929	5,137	4,064	4,327	4,194	4,523
Other operating revenue	6,441	5,881	4,177	3,516	3,404	2,830	2,993	2,499	1,624	1,282
<b>Total operating revenues</b>	<b>89,858</b>	<b>86,052</b>	<b>93,933</b>	<b>90,919</b>	<b>83,959</b>	<b>85,586</b>	<b>95,929</b>	<b>96,940</b>	<b>81,358</b>	<b>91,922</b>
	11.2%	11.3%	11.7%	12.9%	12.9%	13.8%	14.3%	15.5%	14.3%	11.4%
	3.6%	3.5%	5.1%	4.6%	2.8%	2.8%	3.1%	4.8%	4.3%	4.3%
	0.3%	0.1%	0.4%	0.4%	3.948	0.9%	1.0%	0.8%	1.7%	1.4%
	0.3%	0.4%	1.0%	0.4%	1,297	0.3%	0.4%	0.5%	0.5%	0.3%
	0.1%	0.1%	0.1%	0.1%	413	0.1%	0.1%	0.1%	0.3%	0.4%
	0.0%	0.0%	0.0%	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%
	1.0%	1.1%	1.1%	1.2%	4,929	1.2%	1.2%	1.0%	1.0%	1.0%
	1.3%	1.2%	0.9%	0.8%	3,404	0.8%	0.7%	0.7%	0.6%	0.3%
	17.8%	17.7%	20.3%	20.4%	83,959	19.9%	20.8%	23.2%	23.2%	19.1%
<b>NON-OPERATING REVENUES:</b>										
State appropriations	76,754	83,918	80,366	77,486	77,541	77,020	75,998	77,777	85,942	90,135
Ad valorem taxes	231,936	216,735	205,701	188,253	167,806	157,721	148,974	139,160	136,712	133,601
Federal revenue, non-operating	93,921	86,812	78,850	79,919	82,691	84,282	87,421	96,451	118,193	113,380
State revenue, non-operating	3,610	4,178	4,071	4,272	7,063	4,392	3,634	3,549	4,214	6,746
Gifts	406	250	859	2,602	1,342	1,658	1,426	795	476	96
Investment income, non-operating	9,033	6,148	1,739	1,168	775	1,027	222	1,858	1,566	1,439
	82.2%	82.3%	79.7%	79.6%	337,218	80.1%	79.2%	76.8%	347,103	80.9%
<b>Total non-operating revenues</b>	<b>415,660</b>	<b>398,041</b>	<b>371,586</b>	<b>353,700</b>	<b>337,218</b>	<b>326,100</b>	<b>317,675</b>	<b>319,590</b>	<b>347,103</b>	<b>345,397</b>
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total revenues</b>	<b>\$ 505,518</b>	<b>\$ 484,093</b>	<b>\$ 465,519</b>	<b>\$ 444,619</b>	<b>\$ 421,177</b>	<b>\$ 411,686</b>	<b>\$ 413,604</b>	<b>\$ 416,530</b>	<b>\$ 428,461</b>	<b>\$ 437,319</b>
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Years Ended August 31,

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OPERATING EXPENSES:</b>										
Instruction	\$ 137,204	\$ 138,430	\$ 132,779	\$ 125,546	\$ 125,728	\$ 125,882	\$ 124,406	\$ 128,486	\$ 144,317	\$ 145,086
Public service	1,515	1,400	1,289	856	1,316	1,638	330	349	291	300
Academic support	29,665	27,326	27,148	24,846	25,110	24,662	25,069	26,179	28,083	27,529
Student services	54,945	50,931	48,520	45,707	42,971	36,774	32,083	29,090	31,004	33,631
Institutional support	78,660	79,247	73,426	69,972	65,195	65,231	63,871	53,487	54,684	55,463
Operation and maintenance of plant	40,758	45,572	41,066	38,294	36,124	36,790	36,178	34,891	33,259	31,847
Scholarships and fellowships	56,825	55,135	54,612	53,517	57,362	58,905	58,358	65,811	78,447	79,979
Auxiliary enterprises	1,640	1,930	1,743	1,757	1,722	1,672	1,531	1,440	2,214	1,645
Depreciation and amortization	32,380	32,017	31,676	32,007	31,518	32,152	29,850	30,486	29,520	24,550
<b>Total operating expenses</b>	<b>433,593</b>	<b>431,988</b>	<b>412,259</b>	<b>392,502</b>	<b>387,046</b>	<b>383,706</b>	<b>371,676</b>	<b>370,219</b>	<b>401,819</b>	<b>400,030</b>
<b>NON-OPERATING EXPENSES:</b>										
Interest on capital-related debt and MTN	22,482	22,314	20,441	20,071	23,368	25,062	26,538	26,973	27,408	28,084
Other non-operating expenses	3,821	2,758	2,609	6,370	2,216	5,319	5,612	8,136	2,300	5,118
(Gain) loss on disposal of capital assets	(548)	9	233	45	68	144	348	129	232	662
<b>Total non-operating expenses</b>	<b>25,755</b>	<b>25,081</b>	<b>23,283</b>	<b>26,486</b>	<b>25,652</b>	<b>30,525</b>	<b>32,498</b>	<b>35,238</b>	<b>29,940</b>	<b>33,864</b>
<b>Total expenses</b>	<b>\$ 459,348</b>	<b>\$ 457,069</b>	<b>\$ 435,542</b>	<b>\$ 418,988</b>	<b>\$ 412,698</b>	<b>\$ 414,231</b>	<b>\$ 404,174</b>	<b>\$ 405,457</b>	<b>\$ 431,759</b>	<b>\$ 433,894</b>
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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

Academic Year (Fall)	In-District Tuition*		Out-of-District Tuition*	Student Activity Fees	Campus Access Fee	General Fee		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 2018	\$ 86.00	\$	\$ 202.00	36.00	\$ 25.00	\$ -	\$ -	\$ 1,093.00	\$ 2,485.00	2.25%	0.98%
Fall 2017	86.00		202.00	12.00	25.00	-	-	1,069.00	2,461.00	17.47%	4.10%
Fall 2016	73.00		194.00	12.00	25.00	-	-	910.00	2,364.00	4.84%	4.93%
Fall 2015	69.00		185.00	12.00	25.00	-	-	868.00	2,253.00	0.00%	0.00%
Fall 2014	69.00		185.00	12.00	25.00	-	-	868.00	2,253.00	0.00%	0.00%
Fall 2013	69.00		185.00	12.00	25.00	-	-	868.00	2,253.00	2.97%	1.12%
Fall 2012	69.00		185.00	12.00	-	-	-	843.00	2,228.00	2.93%	0.00%
Fall 2011	56.00		112.00	12.00	-	135.00	-	819.00	2,228.00	4.87%	56.57%
Fall 2010	53.50		107.00	12.00	-	127.00	-	781.00	1,423.00	0.00%	3.04%
Fall 2009	53.50		103.50	12.00	-	127.00	-	781.00	1,381.00	4.83%	8.48%

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

Academic Year (Fall)	Non-Resident Tuition		Student Activity Fees	Campus Access Fee	General Fee		Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
	\$				\$			
Fall 2018	\$ 453.00	\$	\$ 36.00	25.00	\$ -	\$ 5,497.00	0.44%	
Fall 2017	453.00		12.00	25.00	-	5,473.00	20.44%	
Fall 2016	376.00		12.00	25.00	-	4,544.00	4.97%	
Fall 2015	358.00		12.00	25.00	-	4,329.00	0.00%	
Fall 2014	358.00		12.00	25.00	-	4,329.00	0.00%	
Fall 2013	358.00		12.00	25.00	-	4,329.00	0.58%	
Fall 2012	358.00		12.00	-	-	4,304.00	51.82%	
Fall 2011	224.00		12.00	-	135.00	2,835.00	4.73%	
Fall 2010	214.00		12.00	-	127.00	2,707.00	5.13%	
Fall 2009	203.00		12.00	-	127.00	2,575.00	10.56%	

\*Between the Fall of 2012 and the Fall of 2016, tuition was charged at a variable rate dependent on the number of hours taken by the student during the semester.

**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			Total
				Assessed Value to Assessed Value	Maintenance & Operations	Debt Service	
2018-19	\$ 178,664,455,752	\$ 16,200,271,693	\$ 162,464,184,059	90.93%	0.10776	0.04139	0.14915
2017-18	166,595,034,165	14,761,694,685	151,833,339,480	91.14%	0.10776	0.04139	0.14915
2016-17	155,381,589,446	13,268,330,107	142,113,259,339	91.46%	0.10776	0.04139	0.14915
2015-16	141,897,318,235	12,277,254,224	129,620,064,011	91.35%	0.10530	0.04385	0.14915
2014-15	126,135,984,074	11,432,857,776	114,703,126,298	90.94%	0.10640	0.04275	0.14915
2013-14	117,537,576,763	10,595,670,602	106,941,906,161	90.99%	0.10440	0.04475	0.14915
2012-13	111,855,649,838	10,294,806,815	101,560,843,023	90.80%	0.10440	0.04475	0.14915
2011-12	109,886,262,029	10,136,852,914	99,749,409,115	90.78%	0.09687	0.04475	0.14162
2010-11	109,126,636,976	9,850,838,178	99,275,798,798	90.97%	0.09687	0.04475	0.14162
2009-10	110,259,418,727	9,570,660,304	100,688,758,423	91.32%	0.09110	0.04475	0.13585

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

\*The Assessed Valuation is presented net of Tax Incremental Financings. See Note 19 for additional information.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 6a General Appropriations Act Before Contact Hour Adjustments<sup>1</sup> Last Ten Fiscal Years (Unaudited)

	For the years ended August 31,									
	2019*	2018*	2017*	2016*	2015*	2014*	2013	2012	2011	2010
<b>Appropriation Funding Elements</b>										
State Appropriation Contact Hour Funding (CH)	\$ 52,031,745	\$ 52,031,745	\$ 52,680,089	\$ 52,680,089	\$ 56,125,968	\$ 56,125,968	\$ 63,625,883	\$ 66,004,803	\$ 65,658,472	\$ 69,233,873
State Appropriation Student Success Points (SSP)	7,194,360	7,194,360	6,653,202	6,653,202	6,814,491	6,814,491	-	-	-	-
State Appropriation Core Operations (CO)	680,406	680,406	500,000	500,000	500,000	500,000	-	-	-	-
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	4,058,400	4,058,400	4,450,000	4,450,000	-	-	-	-	-	-
<b>Total</b>	<b>\$ 63,964,911</b>	<b>\$ 63,964,911</b>	<b>\$ 64,283,291</b>	<b>\$ 64,283,291</b>	<b>\$ 63,440,459</b>	<b>\$ 63,440,459</b>	<b>\$ 63,625,883</b>	<b>\$ 66,004,803</b>	<b>\$ 65,658,472</b>	<b>\$ 69,233,873</b>

<sup>1</sup> General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds

\* Formula funding methodology changed in fiscal year 2014

Source: THECB - Ten Pay Schedule

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 6b  
State Appropriation Per FTSE  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended	State Appropriation (unrestricted) per Schedule C	FTSE <sup>1</sup>	State Appropriation per FTSE
2019*	\$ 59,906,511	35,415	\$ 1,692
2018*	59,907,851	34,724	1,725
2017*	59,928,821	34,953	1,715
2016*	59,833,294	35,771	1,673
2015*	63,440,469	35,586	1,783
2014*	63,440,918	36,031	1,761
2013	63,625,883	36,849	1,727
2012	66,004,803	39,131	1,687
2011	65,658,472	39,162	1,677
2010	69,233,873	41,077	1,685

<sup>1</sup> Full time student equivalent (FTSE) is calculated using semester credit hours (SCH) divided by 30 plus non-semester (continuing education) hours divided by 900.

\* Formula funding methodology changed in fiscal year 2014

Source: CBM004 and CBM00C

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 6c State Appropriation Per Funded Contact Hour<sup>1</sup> Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended	CH - State Appropriation (unrestricted) <sup>2</sup>	Academic		Technical		Continuing Education		Total Funded		Appropriation per Funded Contact Hour
		Contact Hours	Contact Hours	Contact Hours	Contact Hours					
2019*	\$ 52,031,745	15,912,216	3,503,216	340,512		19,755,944	\$		2.63	
2018*	52,031,745	16,291,384	3,397,264	376,509		20,065,157			2.59	
2017*	52,680,089	16,073,080	3,655,173	384,757		20,113,010			2.62	
2016*	52,680,089	16,189,360	3,701,027	386,595		20,276,982			2.60	
2015*	56,125,968	15,932,152	4,008,405	510,549		20,451,106			2.74	
2014*	56,125,968	16,338,384	4,126,465	592,161		21,057,010			2.67	
2013	63,625,883	16,850,656	4,345,555	641,331		21,837,542			2.91	
2012	66,004,803	17,767,584	4,568,491	656,027		22,992,102			2.87	
2011	65,658,472	18,969,648	4,838,908	722,764		24,531,320			2.68	
2010	69,233,873	18,845,612	5,065,508	870,460		24,781,580			2.79	

<sup>1</sup> Contact hours (CH) for Academic, Technical and Continuing Education include the Fall, Spring and Summer semesters of the respective fiscal year.

<sup>2</sup> State Funded Contact Hour Appropriation as presented in Schedule 6a

\* Formula funding methodology changed in fiscal year 2014

Source: CBM004 and CBM00C

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 6d  
State Appropriation Per Student Success Point - Annualized  
Last Six Fiscal Years<sup>1</sup>  
(Unaudited)**

Fiscal Year Ended <sup>1</sup>	SSP - State Appropriation (Unrestricted) <sup>2</sup>	3-Year Average Student Success Points <sup>3</sup>	Appropriation per Student Success Point
2019	\$ 7,194,360	83,871	\$ 85.78
2018	7,194,360	83,871	85.78
2017	6,653,202	77,101	86.29
2016	6,653,202	77,101	86.29
2015	6,814,491	73,621	92.56
2014	6,814,491	73,621	92.56

<sup>1</sup>The formula funding methodology was changed in fiscal year 2014 to include appropriations based on student success points. As such, appropriations per student success point are not applicable for fiscal years prior to 2014. Schedule is intended to include 10 years, additional years will be presented as they become available.

<sup>2</sup>State Funded student success point appropriation as presented in Schedule 6a

<sup>3</sup>Source: THECB - Ten Pay Schedule

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 6e Student Success Points (SSP) Last Nine Fiscal Years<sup>1</sup> (Unaudited)

Success Point Elements <sup>2</sup>	For the years ended August 31,									
	2018*	2017*	2016*	2015*	2014*	2013	2012	2011	2010	2010
Math Readiness	3,143	2,837	2,742	2,006	2,039	3,778	976	1,670	7,675	
Read Readiness	1,553	1,531	1,482	1,097	1,231	2,565	881	1,325	2,751	
Write Readiness	1,137	1,298	1,253	981	1,111	2,094	756	1,274	1,858	
Students Who Pass FCL Math Course	9,367	9,406	9,927	9,909	9,588	8,620	9,055	8,227	7,558	
Students Who Pass FCL Read Course	5,435	5,570	5,305	5,361	5,584	5,515	6,475	6,559	6,191	
Students Who Pass FCL Write Course	5,410	5,444	5,336	5,254	5,209	5,128	6,626	6,432	7,114	
Students Who Complete 15 SCH	17,910	16,721	16,756	15,616	16,164	15,051	15,384	17,483	18,392	
Students Who Complete 30 SCH	11,286	10,835	10,495	10,033	10,180	9,908	9,539	11,995	11,050	
Student Transfers to a 4-Yr Inst	20,658	12,176	12,024	11,504	11,256	11,072	11,184	10,728	8,540	
Degrees, CCCs, or Certs (Undup)	2,637	21,812	21,202	17,530	13,576	11,548	9,840	7,198	6,970	
Degrees or Certs in Critical Fields	12,310	3,022	3,348	3,476	3,049	3,110	3,166	2,995	2,876	
<b>Annual Success Points - Total</b>	<b>90,846</b>	<b>90,652</b>	<b>89,870</b>	<b>82,767</b>	<b>78,987</b>	<b>78,389</b>	<b>73,882</b>	<b>75,886</b>	<b>80,975</b>	

<sup>1</sup> Student Success Points funding was established by The General Appropriations Act, SB 1, 83rd Texas Legislature. As such, SSP data is only available beginning in year 2010 and forward. Schedule is intended to show 10 years, additional years will be displayed as they become available.

<sup>2</sup> These are annual weighted SSP, not 3-year rolling averages.

\* Formula funding methodology changed in Fiscal Year 2014

Source: THECB

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Tax Payer	Taxable Assessed Value (TAV) (\$000 omitted)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
HEB Grocery Company LP	\$ 1,432,683	\$ 1,415,595	\$ 1,355,150	\$ 1,265,838	\$ 1,119,370	\$ 1,090,006	\$ 1,025,290	\$ 968,937	\$ 957,372	\$ 915,618
Microsoft Corporation	906,691	763,981	587,517	438,070	273,326	322,193	340,011	343,633	334,968	-
Methodist Healthcare Systems SA LTD LLP	779,753	714,781	666,134	616,182	573,090	540,523	532,699	518,606	455,263	451,594
Wal-Mart Stores, Inc.	750,514	687,965	679,929	614,127	552,930	512,390	400,886	396,639	384,171	-
Toyota Motor Mfg Texas Inc.	557,232	516,943	582,068	558,664	560,473	554,647	523,666	542,971	447,437	541,478
VHS San Antonio Partners LP	536,674	509,095	520,866	514,599	501,719	469,526	359,878	404,509	375,935	375,477
Weill Services, a division of Schlumberger	355,025	-	-	-	-	-	-	-	-	-
Southwestern Bell Telephone	343,011	342,872	352,861	325,075	337,247	351,030	391,280	412,841	423,199	408,853
USAA	332,200	390,986	409,527	361,960	313,438	309,922	323,095	339,064	336,394	343,721
Frankel Family Trust	313,777	-	-	-	-	-	-	-	-	199,812
La Contera Specialty Retail LTD Partnership	-	359,482	354,890	343,303	272,081	228,526	221,968	212,394	238,190	263,640
Halliburton Energy Services, Inc.	-	292,246	317,326	413,029	309,888	-	-	-	-	-
SA Real Estate LLLP	-	-	-	-	309,888	-	224,013	264,078	-	-
Frost National Bank	-	-	-	-	-	220,992	-	-	-	-
Marriott Hotel Properties	-	-	-	-	-	-	-	-	-	209,948
<b>Total</b>	<b>\$ 6,307,560</b>	<b>\$ 5,993,946</b>	<b>\$ 5,826,268</b>	<b>\$ 5,450,847</b>	<b>\$ 4,813,562</b>	<b>\$ 4,599,755</b>	<b>\$ 4,342,786</b>	<b>\$ 4,403,671</b>	<b>\$ 4,219,687</b>	<b>\$ 3,881,722</b>

Tax Payer	% of Total Taxable Assessed Value (TAV)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
HEB Grocery Company LP	0.88%	0.93%	0.95%	0.98%	0.98%	1.02%	1.01%	0.97%	0.96%	0.91%
Microsoft Corporation	0.56%	0.50%	0.41%	0.34%	0.24%	0.30%	0.33%	0.34%	0.34%	0.00%
Methodist Healthcare Systems SA LTD LLP	0.48%	0.47%	0.47%	0.48%	0.50%	0.51%	0.52%	0.52%	0.46%	0.45%
Wal-Mart Stores, Inc.	0.46%	0.45%	0.48%	0.47%	0.48%	0.48%	0.39%	0.40%	0.39%	0.00%
Toyota Motor Mfg Texas Inc.	0.34%	0.34%	0.41%	0.43%	0.49%	0.52%	0.52%	0.54%	0.45%	0.54%
VHS San Antonio Partners LP	0.33%	0.34%	0.37%	0.40%	0.44%	0.44%	0.35%	0.41%	0.38%	0.37%
Weill Services, a division of Schlumberger	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	0.21%	0.23%	0.25%	0.25%	0.29%	0.33%	0.39%	0.41%	0.43%	0.41%
USAA	0.20%	0.26%	0.29%	0.28%	0.27%	0.29%	0.32%	0.34%	0.34%	0.34%
Frankel Family Trust	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%
La Contera Specialty Retail LTD Partnership	0.00%	0.24%	0.25%	0.26%	0.24%	0.21%	0.22%	0.21%	0.24%	0.26%
Halliburton Energy Services, Inc.	0.00%	0.19%	0.22%	0.32%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.22%	0.26%	0.27%	0.00%
Frost National Bank	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
<b>Total</b>	<b>3.87%</b>	<b>3.95%</b>	<b>4.10%</b>	<b>4.21%</b>	<b>4.20%</b>	<b>4.31%</b>	<b>4.27%</b>	<b>4.40%</b>	<b>4.26%</b>	<b>3.86%</b>

Source: Bexar County Appraisal District  
 Total taxable assessed value is from most recent ARB approved certified supplement as of year-end.  
 Fiscal year corresponds to prior tax year and is shown net of exemptions and tax increment financings.

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

Fiscal Year Ended Aug 31	Original Year Levy	Cumulative Levy Adjustments	Adjusted Tax Levy <sup>(1)</sup>	Collections Year of		Collection Percentage	Prior Levies <sup>(2)</sup>	Current Year Collections of Prior Levies	Total Collections	Cumulative Collections of Adjusted Levy
				Original Levy	Original Levy					
2019	\$ 235,123,523	\$ (2,273,023)	\$ 232,850,500	\$ 229,767,442	\$ 229,767,442	97.72%	\$ -	\$ -	\$ 229,767,442	98.68%
2018	220,999,630	(4,173,085)	216,826,545	215,596,460	215,596,460	97.56%	-	146,920	215,743,380	99.50%
2017	206,482,168	(3,573,462)	202,908,706	202,675,506	202,675,506	98.16%	(299,329)	(104,022)	202,272,155	99.69%
2016	189,391,239	(2,885,751)	186,505,488	185,543,626	185,543,626	97.97%	400,560	72,234	186,016,420	99.74%
2015	168,691,852	(2,487,188)	166,204,664	165,010,702	165,010,702	97.82%	669,287	123,181	165,803,170	99.76%
2014	157,087,439	(1,676,113)	155,411,326	154,114,745	154,114,745	98.11%	834,030	117,748	155,066,523	99.78%
2013	148,541,205	(1,264,146)	147,277,059	145,758,928	145,758,928	98.13%	1,173,803	31,300	146,964,031	99.79%
2012	138,594,895	(865,311)	137,729,584	135,764,825	135,764,825	97.96%	1,658,503	22,971	137,446,299	99.79%
2011	137,908,286	(1,225,880)	136,682,406	134,739,175	134,739,175	97.70%	1,649,263	18,522	136,406,960	99.80%
2010	134,340,094	(1,777,158)	132,562,936	130,767,468	130,767,468	97.34%	1,531,291	15,090	132,313,849	99.81%

Source: Bexar County Tax Assessor-Collector

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

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Years Ended August 31, (in thousands<sup>6\*</sup>)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Bonded Debt</b>										
General obligation bonds	\$ 436,684	\$ 474,683	\$ 341,042	\$ 363,361	\$ 374,652	\$ 384,644	\$ 394,187	\$ 403,305	\$ 412,484	\$ 420,416
Tax notes	55,234	62,680	69,820	85,888	109,816	125,261	138,976	150,865	159,405	109,935
Net general bonded debt	\$ 491,918	\$ 537,363	\$ 410,862	\$ 449,249	\$ 484,468	\$ 509,905	\$ 533,163	\$ 554,170	\$ 571,889	\$ 530,351
<b>Other Debt</b>										
Revenue bonds	\$ 103,667	\$ 109,802	\$ 115,398	\$ 64,894	\$ 69,894	\$ 74,829	\$ 80,163	\$ 84,852	\$ 66,216	\$ 69,815
Notes payable	12,472	13,853	15,157	16,504	15,923	17,162	12,727	-	-	-
<b>Total Outstanding Debt</b>	\$ 608,057	\$ 661,018	\$ 541,417	\$ 530,647	\$ 570,285	\$ 601,896	\$ 626,053	\$ 639,022	\$ 638,105	\$ 600,166

**Figures for Debt Ratios:**

Bexar County population <sup>1</sup>	2,025,211	1,988,364	1,953,028	1,917,932	1,882,834	1,847,931	1,813,421	1,784,731	1,756,262	1,714,773
Full-Time Student Equivalent (FTSE) <sup>2</sup>	35,415	34,724	34,953	35,771	35,586	36,031	36,849	39,131	39,162	41,077
Taxable assessed value (TAV) <sup>3</sup>	\$ 162,464,184	\$ 151,833,339	\$ 142,113,259	\$ 129,620,064	\$ 114,703,126	\$ 106,941,906	\$ 101,560,843	\$ 99,749,409	\$ 99,275,859	\$ 100,688,758

**General Bonded Debt Ratios**

Per capita	\$ 242.90	\$ 270.25	\$ 210.37	\$ 234.24	\$ 257.31	\$ 275.93	\$ 294.01	\$ 310.51	\$ 325.63	\$ 309.28
Per FTSE	13,890	15,475	11,755	12,559	13,614	14,152	14,469	14,162	14,603	12,911
As a percentage of TAV	0.30%	0.35%	0.29%	0.35%	0.42%	0.48%	0.52%	0.56%	0.58%	0.53%

**Total Outstanding Debt Ratios**

Per capita	\$ 300.24	\$ 332.44	\$ 277.22	\$ 276.68	\$ 302.89	\$ 325.71	\$ 345.23	\$ 358.05	\$ 363.33	\$ 350.00
Per FTSE	17,169	19,036	15,490	14,835	16,026	16,705	16,990	16,330	16,294	14,611
As a percentage of TAV	0.37%	0.44%	0.38%	0.41%	0.50%	0.56%	0.62%	0.64%	0.64%	0.60%

Notes/Sources:

\*Except for figures for debt ratios

Bonds outstanding are adjusted by premium or discount.

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

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

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

**General Obligation Bonds**

For the Year Ended August 31,	Net Taxable Assessed Value <sup>1</sup>	Elected Tax Levy Limit for Debt Service	Less: Funds Restricted for		Total Net General Obligation Debt	Current Year Debt Service Requirements	Excess of		Net Current Requirements <sup>2</sup> as a % of Elected Limit
			General Obligation Bonds	Repayment of Bonds			Debt Service Requirements	Debt Service over Current Requirements	
2019	\$ 162,464,184	\$ 231,089	\$ 9,595	\$ 221,494	\$ 54,828	\$ 166,666		19.57%	
2018	151,833,339	215,968	8,032	207,936	28,857	179,079		9.64%	
2017	142,113,259	202,142	2,058	200,084	37,250	162,834		17.41%	
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%	

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 service purposes. This tax rate is lower than the \$1.00 per \$100 taxable assessed valuation limitation (of which a maximum of \$0.50 may be utilized for debt service purposes) on ad valorem tax rates for community college districts imposed by Texas Education Code Section 130.122, as amended.

<sup>1</sup>Net Taxable Assessed Value obtained from most recent Supplement to the Certified Total (ARB Approved 2018 Supplement 200) and is shown net of exemptions and tax increment financings.

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

**Revenue Bonds**

Fiscal Year Ended August 31,	Pledged Revenues (\$000 omitted)				Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Fee	Investment Income	Other Income	Principal	Interest	Total	
2019	\$ 24,187	\$ -	\$ 4,598	\$ 6,256	\$ 5,685	\$ 4,120	\$ 9,805	3.57
2018	24,808	-	2,645	6,453	5,145	4,717	9,862	3.44
2017	25,358	-	1,602	6,137	4,780	2,288	7,068	4.68
2016	24,693	-	974	6,292	4,720	2,356	7,076	4.52
2015	25,486	-	639	6,147	4,655	2,409	7,064	4.57
2014	26,199	-	513	6,033	5,055	2,448	7,503	4.36
2013*	27,432	-	513	5,590	4,410	2,742	7,152	4.69
2012	17,496	18,337	465	3,843	3,715	1,513	5,228	7.68
2011	16,262	19,093	524	3,651	3,560	3,105	6,665	5.93
2010	18,407	19,319	1,634	4,053	3,405	3,255	6,660	6.52

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Calendar Year	District Population	District Personal Income (Thousands of Dollars)	District Personal Income Per Capita	District Annual Unemployment Rate
2018	1,986,049	\$ 85,782,196 *	\$ 43,192 *	3.2%
2017	1,958,578	85,782,196	43,798	3.5%
2016	1,928,680	84,122,309	43,617	3.7%
2015	1,897,753	81,038,194	42,702	3.8%
2014	1,855,866	75,825,317	40,857	4.7%
2013	1,822,154	71,786,980	39,397	5.8%
2012	1,788,858	70,274,756	39,825	6.3%
2011	1,755,526	67,565,567	38,487	7.2%
2010	1,714,773	61,673,003	35,793	7.3%
2009	1,685,628	58,073,920	34,452	6.7%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, and The County Information Program (2018-19)  
 Bureau of Economic Analysis, US Department of Commerce and Bureau of Labor Statistics (2016-2017)  
 Texas Workforce Commission, LMI Tracer, Data Link, US Census Bureau State and County Facts (2009-2015)  
 \*Current year data available at time of publication and subject to update in subsequent year.

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Principal Employers	2019 (1)		2018 (2)		2017 (3)		2016 (4)		2015 (5)		2014 (6)		2013 (7)		2012 (8)		2011 (9)		2010 (10)				
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment			
Lackland AFB	37,000	3.4%	37,000	3.5%	37,097	3.6%	37,097	3.4%	37,097	3.4%	37,097	3.7%	37,097	3.7%	37,097	3.6%	37,097	3.7%	37,097	3.2%	28,100	3.1%	
Fort Sam Houston - US Army	32,000	3.0%	32,000	3.0%	32,000	3.1%	32,000	2.9%	32,000	2.9%	32,000	3.2%	32,000	3.2%	32,000	3.1%	32,000	3.2%	32,000	3.2%	30,793	3.4%	
HEB Food Stores	20,000	1.9%	20,000	1.9%	20,000	1.9%	20,000	1.8%	20,000	1.8%	20,000	2.0%	20,000	2.0%	14,588	1.4%	14,588	1.4%	14,588	1.4%	14,588	1.6%	
USAA	18,305	1.7%	18,305	1.7%	17,000	1.6%	17,000	1.6%	17,000	1.6%	16,000	1.6%	17,000	1.7%	15,000	1.5%	14,832	1.5%	14,832	1.5%	14,852	1.6%	
Northside ISD	13,977	1.3%	13,977	1.3%	12,751	1.2%	12,751	1.2%	12,751	1.2%	12,751	1.3%	12,751	1.3%	12,751	1.2%	13,300	1.3%	13,300	1.3%	12,597	1.4%	
Randolph AFB	11,000	1.0%	11,000	1.0%	11,068	1.1%	11,068	1.0%	11,068	1.0%	11,068	1.1%	11,068	1.1%	11,068	1.1%	11,068	1.1%	11,068	1.1%	10,700	1.2%	
Methodist Healthcare System	9,620	0.9%	9,620	0.9%	8,118	0.8%	8,118	0.7%	8,118	0.7%	8,118	0.8%	8,000	0.8%	7,747	0.8%	7,500	0.7%	7,500	0.7%	7,013	0.8%	
City of San Antonio	9,145	0.9%	9,145	0.9%	9,145	0.9%	9,145	0.8%	9,145	0.8%	9,145	0.9%	11,731	1.2%	9,145	0.9%	9,145	0.9%	9,145	0.9%	9,000	1.0%	
Northeast ISD	8,763	0.8%	9,001	0.9%	10,052	1.0%	10,052	0.9%	10,052	0.9%	10,052	1.0%	10,522	1.1%	10,522	1.0%	10,522	1.0%	10,522	1.0%	10,223	1.1%	
San Antonio ISD	7,703	0.7%	7,000	0.7%	7,000	0.7%	7,000	0.6%	7,000	0.6%	7,000	0.7%	7,374	0.7%	7,000	0.7%	7,581	0.7%	7,581	0.7%	7,581	0.8%	
Baptist Health System	6,383	0.6%	6,383	0.6%					6,498	0.6%	7,205	0.7%											
Total Employment - (Prindpal employers)	173,896	16.2%	173,431	16.4%	164,231	15.9%	164,231	14.9%	170,729	15.4%	170,436	17.0%	167,543	16.8%	156,918	15.3%	157,633	15.5%	145,447	15.0%	145,447	16.0%	
Total Employment - (All employers)	1,075,500	100.0%	1,058,300	100.0%	1,041,300	100.0%	1,086,301	100.0%	1,099,430	100.0%	1,011,080	100.0%	990,148	100.0%	1,026,242	100.0%	1,012,433	100.0%	906,452	100.0%	906,452	100.0%	

(1) Source: San Antonio Economic Development Foundation Website 08/2019 <http://www.sanantonioedf.com/why-san-antonio/data/>; Northside ISD, Northeast ISD and San Antonio ISD respective websites  
(2) Source: San Antonio Economic Development Foundation Website 05/2018 <http://www.sanantonioedf.com/why-san-antonio/data/>; Northside ISD, Northeast ISD and San Antonio ISD respective websites  
(3) Source: San Antonio Economic Development Foundation Website 05/2017 <http://www.sanantonioedf.com/why-san-antonio/data/>  
(4) Source: San Antonio Economic Development Foundation Website 09/2016 <http://www.sanantonioedf.com/business-profile/major-employers>  
(5) Source: San Antonio Economic Development Foundation Website 05/2015 <http://www.sanantonioedf.com/business-profile/major-employers>  
(6) Source: San Antonio Economic Development Foundation Website 9/12/2014 <http://www.sanantonioedf.com/business-profile/major-employers>  
(7) Source: San Antonio Economic Development Foundation Website 9/4/2013 <http://www.sanantonioedf.com/business-profile/major-employers>  
(8) Source: San Antonio Economic Development Foundation Website 10/18/2012 <http://www.sanantonioedf.com/business-profile/major-employers>  
(9) Source: San Antonio Economic Development Foundation Website 9/7/2011 <http://www.sanantonioedf.com/business-profile/major-employers>  
(10) Source: San Antonio Economic Development Foundation Website 8/10/2010 <http://www.sanantonioedf.com/business-profile/major-employers>

# ALAMO COMMUNITY COLLEGE DISTRICT

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Faculty*</b>										
Full-time	928	894	895	962	928	916	750	1,004	1,039	1,027
Part-time	2,509	2,118	1,924	1,772	1,556	1,633	1,848	1,482	1,710	1,599
<b>Total</b>	<b>3,437</b>	<b>3,012</b>	<b>2,819</b>	<b>2,734</b>	<b>2,484</b>	<b>2,549</b>	<b>2,598</b>	<b>2,486</b>	<b>2,749</b>	<b>2,626</b>
<b>Percent</b>										
Full-time	27.00%	29.68%	31.75%	35.19%	37.36%	35.94%	28.87%	40.39%	37.80%	39.11%
Part-time	73.00%	70.32%	68.25%	64.81%	62.64%	64.06%	71.13%	59.61%	62.20%	60.89%
<b>Staff and Administrators*</b>										
Full-time	1,770	1,773	1,725	1,808	1,715	1,649	1,479	1,532	1,710	1,721
Part-time	1,810	1,442	1,330	1,682	1,437	1,077	660	921	978	1,165
<b>Total</b>	<b>3,580</b>	<b>3,215</b>	<b>3,055</b>	<b>3,490</b>	<b>3,152</b>	<b>2,726</b>	<b>2,139</b>	<b>2,453</b>	<b>2,688</b>	<b>2,886</b>
<b>Percent</b>										
Full-time	49.44%	55.15%	56.46%	51.81%	54.41%	60.49%	69.14%	62.45%	63.62%	59.63%
Part-time	50.56%	44.85%	43.54%	48.19%	45.59%	39.51%	30.86%	37.55%	36.38%	40.37%
<b>FTSE**</b>	<b>35,415</b>	<b>34,724</b>	<b>34,953</b>	<b>35,771</b>	<b>35,586</b>	<b>36,031</b>	<b>36,849</b>	<b>39,131</b>	<b>39,162</b>	<b>41,077</b>
FTSE per full-time faculty	38.2	38.8	39.1	37.2	38.3	39.3	49.1	39.0	37.7	40.0
FTSE per full-time staff member	20.0	19.6	20.3	19.8	20.7	21.9	24.9	25.5	22.9	23.9
Average annual full-time faculty salary	\$ 59,931	\$ 62,121	\$ 61,155	\$ 51,316	\$ 52,370	\$ 54,778	\$ 66,680	\$ 54,178	\$ 57,537	\$ 60,929

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

\*Faculty/Staff Headcount - Prepared by Human Resources Department

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

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Student Classification	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	%																		
00 - 30 hours	32,360	61.7%	31,999	60.9%	31,071	60.5%	30,512	59.1%	28,592	57.3%	29,668	58.1%	30,492	58.2%	34,649	60.5%	35,513	60.4%	35,281	60.2%
31 - 60 hours	14,383	27.4%	14,627	27.8%	14,381	28.0%	14,704	28.5%	14,543	29.2%	14,815	29.0%	15,092	28.8%	21,307	37.2%	21,593	36.7%	16,056	27.4%
Unclassified	2,988	5.7%	3,051	5.8%	3,334	6.5%	3,898	7.5%	4,275	8.6%	5,015	9.8%	5,258	10.0%	-	0.0%	-	0.0%	7,292	12.4%
> 60 hours*	2,737	5.2%	2,913	5.5%	2,563	5.0%	2,519	4.9%	2,478	5.0%	1,603	3.1%	1,512	2.9%	1,330	2.3%	1,691	2.9%	9	0.0%
<b>Total</b>	<b>52,468</b>	<b>100.0%</b>	<b>52,590</b>	<b>100.0%</b>	<b>51,349</b>	<b>100.0%</b>	<b>51,633</b>	<b>100.0%</b>	<b>49,888</b>	<b>100.0%</b>	<b>51,101</b>	<b>100.0%</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>

Source: THECB Prep Online

Semester Hour Load	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	%																		
Less than 3 semester hours	552	1.1%	674	1.3%	853	1.7%	1,614	3.1%	1,101	2.2%	304	0.6%	485	0.9%	569	1.0%	785	1.3%	529	0.9%
3 - 5 semester hours	12,018	22.9%	11,536	21.9%	11,032	21.5%	10,948	21.2%	10,416	20.9%	11,145	21.8%	11,877	22.7%	12,425	21.7%	11,148	19.0%	11,595	19.8%
6 - 8 semester hours	14,064	26.8%	14,489	27.6%	15,367	29.9%	15,196	29.4%	14,215	28.5%	14,707	28.8%	15,018	28.7%	16,610	29.0%	16,023	27.3%	17,064	29.1%
9 - 11 semester hours	10,905	20.8%	11,055	21.0%	9,856	19.2%	9,611	18.6%	9,345	18.7%	9,675	18.9%	9,795	18.7%	11,084	19.3%	10,565	18.0%	10,472	17.9%
12 - 14 semester hours	13,086	24.9%	12,847	24.4%	12,195	23.7%	12,164	23.6%	12,787	25.6%	12,994	25.4%	12,952	24.7%	14,416	25.2%	14,604	24.8%	16,761	28.6%
15 - 17 semester hours	1,723	3.3%	1,846	3.5%	1,871	3.6%	1,952	3.8%	1,850	3.7%	1,972	3.9%	1,988	3.8%	1,932	3.4%	3,817	6.5%	1,964	3.3%
18 and over semester hours	120	0.2%	143	0.3%	175	0.3%	148	0.3%	174	0.3%	304	0.6%	239	0.5%	250	0.4%	1,855	3.2%	253	0.4%
<b>Total</b>	<b>52,468</b>	<b>100.0%</b>	<b>52,590</b>	<b>100.0%</b>	<b>51,349</b>	<b>100.0%</b>	<b>51,633</b>	<b>100.0%</b>	<b>49,888</b>	<b>100.0%</b>	<b>51,101</b>	<b>100.0%</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>

Average course load

8.3 hrs

8.3 hrs

8.1 hrs

8.0 hrs

8.2 hrs

8.3 hrs

8.2 hrs

8.2 hrs

8.9 hrs

8.5 hrs

Source: CBM001

Tuition Status	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	%																		
Texas resident - In District	41,498	79.1%	41,009	78.0%	40,446	78.8%	41,425	80.2%	39,929	80.0%	41,007	80.2%	42,828	81.8%	47,567	83.0%	49,261	83.8%	48,787	83.2%
Texas resident - Out of District	7,179	13.7%	7,222	13.7%	6,949	13.5%	6,825	13.2%	6,536	13.1%	6,591	12.9%	6,211	11.9%	7,631	13.3%	7,515	12.8%	7,939	13.5%
Non-resident tuition	1,432	2.7%	1,916	3.7%	1,587	3.1%	1,292	2.5%	1,242	2.5%	1,146	2.2%	1,284	2.5%	1,312	2.3%	1,284	2.2%	1,096	1.9%
Tuition exemption	1,497	2.9%	1,490	2.8%	1,435	2.8%	1,165	2.3%	1,337	2.7%	1,541	3.0%	1,198	2.3%	-	0.0%	3	0.0%	79	0.1%
Foreign	862	1.6%	953	1.8%	932	1.8%	926	1.8%	844	1.7%	816	1.6%	833	1.6%	776	1.4%	734	1.2%	737	1.3%
<b>Total</b>	<b>52,468</b>	<b>100.0%</b>	<b>52,590</b>	<b>100.0%</b>	<b>51,349</b>	<b>100.0%</b>	<b>51,633</b>	<b>100.0%</b>	<b>49,888</b>	<b>100.0%</b>	<b>51,101</b>	<b>100.0%</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>

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 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009			
	Number	%																				
<b>Gender</b>																						
Female	30,413	58%	30,063	57%	29,147	57%	29,433	57%	28,342	57%	29,210	57%	30,003	57%	32,844	57%	33,670	57%	33,607	57%	33,607	57%
Male	22,055	42%	22,527	43%	22,202	43%	22,200	43%	21,546	43%	21,891	43%	22,351	43%	24,442	43%	25,127	43%	25,031	43%	25,031	43%
<b>Total</b>	<b>52,468</b>	<b>100%</b>	<b>52,590</b>	<b>100%</b>	<b>51,349</b>	<b>100%</b>	<b>51,633</b>	<b>100%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>
<b>Ethnic Origin</b>																						
Multi-Racial	857	2%	840	2%	-	0%	-	0%	-	0%	878	2%	1,382	3%	1,088	2%	750	1%	N/A	N/A	N/A	N/A
White	11,688	22%	12,405	24%	12,518	24%	12,889	25%	13,507	27%	14,157	28%	15,166	29%	18,423	32%	20,349	35%	23,327	40%	23,327	40%
Hispanic	33,379	64%	33,089	63%	32,187	63%	31,980	62%	29,180	58%	30,030	59%	30,679	59%	31,712	55%	30,371	52%	28,943	49%	28,943	49%
African-American	4,279	8%	4,145	8%	3,856	8%	3,935	8%	3,825	8%	3,875	8%	3,263	6%	3,757	7%	3,860	7%	4,147	7%	4,147	7%
Asian	1,405	3%	1,381	3%	1,348	3%	1,382	3%	1,388	3%	1,271	2%	1,244	2%	1,429	2%	1,457	2%	1,621	3%	1,621	3%
Foreign	161	0%	179	0%	275	1%	331	1%	249	0%	236	0%	190	0%	324	1%	47	0%	357	1%	357	1%
Native American	111	0%	141	0%	-	0%	-	0%	-	0%	127	0%	132	0%	182	0%	177	0%	243	0%	243	0%
Native Hawaiian/Other Pacific Islander	-	0%	-	0%	-	0%	-	0%	-	0%	83	0%	89	0%	-	0%	-	0%	N/A	N/A	N/A	N/A
Other	588	1%	410	1%	1,165	2%	1,116	2%	1,739	3%	444	1%	209	0%	371	1%	1,786	3%	N/A	N/A	N/A	N/A
<b>Total</b>	<b>52,468</b>	<b>100%</b>	<b>52,590</b>	<b>100%</b>	<b>51,349</b>	<b>100%</b>	<b>51,633</b>	<b>100%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>
<b>Age</b>																						
Under 18	12,803	24%	12,387	24%	11,725	23%	10,343	20%	8,613	17%	8,767	17%	8,809	17%	9,451	16%	9,079	15%	8,584	15%	8,584	15%
18-21	20,386	39%	20,402	39%	19,873	39%	20,560	40%	20,067	40%	20,236	40%	20,212	39%	21,472	37%	22,219	38%	22,330	38%	22,330	38%
22-24	6,147	12%	6,528	12%	6,628	13%	6,758	13%	6,724	13%	6,769	13%	6,876	13%	7,639	13%	7,735	13%	8,114	14%	8,114	14%
25-35	9,001	17%	9,242	18%	9,014	18%	9,885	19%	9,653	19%	9,960	19%	10,630	20%	12,165	21%	13,044	22%	12,931	22%	12,931	22%
36-50	3,423	7%	3,302	6%	3,344	7%	3,164	6%	3,943	8%	4,361	9%	4,770	9%	5,433	9%	5,618	10%	5,668	10%	5,668	10%
51 and over	708	1%	729	1%	765	1%	4,923	10%	888	2%	1,008	2%	1,057	2%	1,126	2%	1,102	2%	1,011	2%	1,011	2%
<b>Total</b>	<b>52,468</b>	<b>100%</b>	<b>52,590</b>	<b>100%</b>	<b>51,349</b>	<b>100%</b>	<b>51,633</b>	<b>100%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>
<b>Average age</b>	<b>22.5</b>		<b>22.6</b>		<b>22.7</b>		<b>23.1</b>		<b>23.6</b>		<b>23.8</b>		<b>23.7</b>		<b>24.2</b>		<b>24.3</b>		<b>24.3</b>		<b>24.3</b>	

Source: CBM001 and THECB Prep Online.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 17 Transfer Students to Senior Institutions Fall 2017 Students (Unaudited)

	Institutions Attended, Fall 2016	Academic	Technical	Tech-Prep	Total	% Students
1	The University of Texas at San Antonio	5,377	323	-	5,700	39.0%
2	Texas A&M University - San Antonio	2,764	320	-	3,084	21.1%
3	Texas State University	1,541	110	-	1,651	11.3%
4	Texas A&M University	937	67	-	1,004	6.9%
5	The University of Texas at Austin	681	31	-	712	4.9%
6	Texas Tech University	457	38	-	495	3.4%
7	Texas A&M University - Corpus Christi	233	11	-	244	1.7%
8	The University of Texas Health Science Center at San Antonio	214	24	-	238	1.6%
9	The University of Texas at Arlington	126	49	-	175	1.2%
10	University of North Texas	146	18	-	164	1.1%
11	University of Houston	126	33	-	159	1.1%
12	Sam Houston State University	101	11	-	112	0.8%
13	Texas A&M University - Kingsville	70	4	-	74	0.5%
14	The University of Texas at Dallas	69	3	-	72	0.5%
15	Tarleton State University	66	3	-	69	0.5%
16	Angelo State University	65	2	-	67	0.5%
17	Stephen F. Austin State University	52	4	-	56	0.4%
18	West Texas A&M University	46	9	-	55	0.4%
19	Texas Tech University Health Sciences Center	34	14	-	48	0.3%
20	Prairie View A&M University	36	1	-	37	0.3%
21	Texas Woman's University	34	3	-	37	0.3%
22	The University of Texas at El Paso	33	3	-	36	0.2%
23	Texas A&M University - Commerce	29	5	-	34	0.2%
24	University of Houston - Victoria	26	8	-	34	0.2%
25	The University of Texas - Rio Grande Valley	28	4	-	32	0.2%
26	The University of Texas of the Permian Basin	27	4	-	31	0.2%
27	Texas A&M International University	21	1	-	22	0.2%
28	The University of Texas Medical Branch at Galveston	17	5	-	22	0.2%
29	Texas A&M University at Galveston	21	-	-	21	0.1%
30	The University of Texas Health Science Center at Houston	16	3	-	19	0.1%
31	Midwestern State University	15	2	-	17	0.1%
32	Texas A&M University System Health Science Center	15	2	-	17	0.1%
33	The University of Texas at Tyler	16	1	-	17	0.1%
34	Lamar University	13	3	-	16	0.1%
35	University of Houston - Downtown	12	-	-	12	0.1%
36	Sul Ross State University	9	1	-	10	0.1%
37	Texas Southern University	10	-	-	10	0.1%
38	University of Houston - Clear Lake	6	2	-	8	0.1%
39	Sul Ross State University - Rio Grande College	7	-	-	7	0.0%
40	University of North Texas Health Science Center	4	-	-	4	0.0%
41	Texas A&M University - Central Texas	2	-	-	2	0.0%
42	University of North Texas at Dallas	2	-	-	2	0.0%
43	Texas A&M University - Texarkana	1	-	-	1	0.0%
44	The University of Texas M.D. Anderson Cancer Center	1	-	-	1	0.0%
45	The University of Texas-Rio Grande Valley - Medical School	1	-	-	1	0.0%
	<b>Total</b>	<b>13,507</b>	<b>1,122</b>	<b>-</b>	<b>14,629</b>	<b>100.0%</b>

Source: THECB Report ASALFS Students Pursuing Additional Education by Institution, includes only public senior colleges in Texas - Fall 2017

# ALAMO COMMUNITY COLLEGE DISTRICT

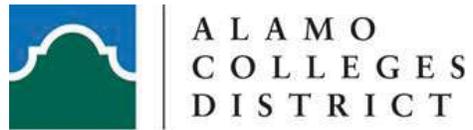
## Statistical Supplement 18 Capital Asset Information Last Ten Fiscal Years (Unaudited)

(square footage in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Academic building equivalent (teaching spaces only)</b>	49.6	51.6	51.5	54.1	54.0	53.1	52.1	52.1	52.1	52.1
Square footage	2,190.0	2,198.0	2,193.0	2,213.0	2,213.0	2,201.0	2,199.0	2,199.0	2,199.0	2,199.0
<b>Library building equivalent</b>	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Square footage	278.0	278.0	278.0	278.0	278.0	278.0	278.0	278.0	278.0	278.0
<b>Dining facilities</b>	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Square footage	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
<b>Student support and office space building equivalent</b>	43.2	42.2	42.3	41.7	41.7	41.7	41.7	41.7	41.7	41.7
Colleges - square footage	1,068.0	1,068.0	1,066.0	1,037.0	1,037.0	1,037.0	1,037.0	1,037.0	1,037.0	1,037.0
District support operations - square footage	282.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0
<b>Plant facilities</b>	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	16.4
Square footage	98.0	98.0	98.0	98.0	98.0	98.0	98.0	98.0	98.0	98.0
<b>Parking garages</b>	4.0	3.0	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0
Square footage	1,064.0	974.0	974.0	974.0	974.0	974.0	645.0	395.0	395.0	395.0
<b>Portable buildings</b>	63.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	63.0
Square footage	101.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0
<b>Athletic facilities - building equivalent</b>	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Square footage	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0
Fitness centers	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	6.0
Tennis courts	10.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Swimming pools	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Soccer fields	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fitness trails	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Putting green	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Rock climbing wall	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Ropes course	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
<b>University Center</b>	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Square footage	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8
<b>Leased space</b>	8.0	8.0	9.0	9.7	9.7	9.0	8.0	8.0	8.0	8.0
Square footage	201.0	201.0	159.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0
<b>Total Count</b>	<b>196.0</b>	<b>198.0</b>	<b>199.0</b>	<b>201.7</b>	<b>201.6</b>	<b>200.0</b>	<b>197.0</b>	<b>196.0</b>	<b>196.0</b>	<b>192.0</b>
<b>Total square footage (in thousands)</b>	<b>5,662.8</b>	<b>5,403.8</b>	<b>5,353.8</b>	<b>5,310.8</b>	<b>5,310.8</b>	<b>5,298.8</b>	<b>4,969.0</b>	<b>4,717.8</b>	<b>4,717.8</b>	<b>4,717.8</b>
<b>Transportation</b>										
Cars	40.0	48.0	47.0	49.0	50.0	44.0	38.0	33.0	34.0	40.0
Trucks/vans	85.0	101.0	85.0	93.0	79.0	78.0	77.0	77.0	76.0	78.0
Fire trucks	2.0	2.0	2.0	-	-	-	-	-	-	-
Buses	4.0	4.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Electric cars	1.0	2.0	2.0	2.0	7.0	7.0	7.0	7.0	7.0	7.0
<b>Electric vehicle charging stations</b>	20.0	16.0	16.0	16.0	16.0	16.0	-	-	-	-
<b>ADA parking spots</b>	628.0	608.0	582.0	582.0	529.0	529.0	511.0	503.0	489.0	479.0
<b>Non ADA parking spots</b>	16,923.0	16,479.0	16,395.0	16,241.0	15,696.0	15,696.0	15,562.0	15,264.0	14,716.0	14,309.0

Source: Alamo Colleges Facilities Department

## **Single Audit Section**



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

Management and Board of Trustees  
Alamo Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Alamo Community College District (the "District"), which is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College, as of and for the years ended August 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2019.

Our report includes a reference to other auditors who audited the financial statements of the ACCD Public Facility Corporation, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Alamo Colleges Foundations, Inc. 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 opinions 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 audits 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.



Dallas, Texas  
December 10, 2019

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

Board of Trustees  
Alamo Community College District

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

We have audited the compliance of the Alamo Community College District (the "District"), which is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College, 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, 2019. 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, 2019.

### **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.



Dallas, Texas  
December 10, 2019

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## **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**

Board of Trustees  
Alamo Community College District

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

We have audited the compliance of the Alamo Community College District (the "District"), which is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College, with the types of compliance requirements described in the Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards ("UGMS"), 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, 2019. 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 UGMS. Those standards and the UGMS 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, 2019.

## 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 UGMS, 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 UGMS. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas  
December 10, 2019

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

**Schedule of Findings and Questioned Costs**  
**Year Ended August 31, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditors’ report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u>    X    </u> no	
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	<u>    X    </u> reported	none
Noncompliance material to financial statements noted?	_____ yes	<u>    X    </u> no	

Federal and State of Texas Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	<u>    X    </u> no	
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	<u>    X    </u> reported	none
Type of auditors’ report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with:			
Uniform Guidance and State of Texas Single Audit Circular	_____ yes	<u>    X    </u> no	

Identification of Major Programs:

<u>Federal - CFDA Number</u>	<u>Name of Federal Programs</u>
Cluster of Programs – Student Financial Assistance:	
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Loan Program

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

**Schedule of Findings and Questioned Costs**  
**Year Ended August 31, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS – CONTINUED

<u>State - Contract Number</u>	<u>Name of State Programs</u>
N/A	Texas Educational Opportunity Grant
16893	Texas - STEM Challenge Scholarship Program

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

Federal	\$3,000,000
State of Texas	\$300,000

Auditee qualified as low-risk auditee?

Federal	<u>  X  </u>	yes	<u>      </u>	no
State of Texas	<u>  X  </u>	yes	<u>      </u>	no

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings required to be reported.

SECTION III – FEDERAL and STATE AWARD FINDINGS AND QUESTIONED COSTS

The audit disclosed no findings required to be reported.



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