



ALAMO  
COLLEGES



# ALAMO COMMUNITY COLLEGE DISTRICT

San Antonio, Texas



San Antonio College



St. Philip's College



Northeast Lakeview College



Palo Alto College



Northwest Vista College

## Comprehensive Annual Financial Report

For the Years Ended  
August 31, 2010 and 2009



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**

**Comprehensive Annual Financial Report**

For the Years Ended  
August 31, 2010 and 2009

**Prepared by:**

**Finance and Fiscal Services Department**



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## **Introductory Section**



ALAMO  
COLLEGES





December 7, 2010

***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) for the fiscal year ended August 31, 2010. The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board (GASB) in its authoritative pronouncements, as well as the financial reporting requirements of the Government Finance Officers Association (GFOA). The report complies with the requirements of Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In 2010, the District's Board of Trustees selected the accounting firm of Ernst & Young LLP to perform the annual audit for the District. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the State Single Audit related to the Uniform Grant Management Standards Single Audit Circular. The auditor's report related specifically to the single audit is included in the Single Audit Section.

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

## **Profile**

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

The Alamo Colleges, a comprehensive two-year system, is dedicated to providing quality education and workforce training to the people of Bexar and surrounding counties. The five colleges – San Antonio, St. Philip's, Palo Alto, Northeast Lakeview, and Northwest Vista – provide:

- university transfer programs;
- workforce education programs;
- technical programs;
- developmental courses;
- adult literacy courses;
- continuing education; and
- community services.

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



The Alamo Colleges includes two Hispanic-Serving Institutions, the nation's only institution that is both a Historically Black College and a Hispanic-Serving Institution, is the nation's third largest producer of Hispanic nurses, and is Texas' largest provider of online post-secondary education. A vibrant international program brings Central American teachers to San Antonio for advanced education while affording students and faculty the opportunity to travel to all regions of the world.

### **Economic Conditions and Outlook**

The Texas Association of Community Colleges reported in October 2009 that community college enrollments across Texas increased by nearly 12% - adding more than 66,000 new students to the state's educational system. The Alamo Colleges experienced that same growth, up 12% in the Fall 2009 and an additional increase in Spring 2010, adding over 7,000 new students each semester. This equates to an entire average-sized community college added to our existing student population. However, due to significant reductions in state appropriations, plus potential reductions as requested by the Legislative Budget Board in the Legislative Appropriations Request of fiscal years 2012 and 2013, Texas community colleges face an enormous funding challenge. State appropriations are limited in the purposes for which they can be spent. While the State's economic condition may necessitate cost-cutting, the very real impact to the Texas community colleges is that any fiscal retraction in a time of unprecedented enrollment growth will effectively close the door on our open-door admissions policy-the very foundation of our existence. This will, in turn, limit essential educational and training opportunities to our citizenry and employers and effectively stall the economic recovery of the State.

Over the past three years, Alamo Colleges has watched the rest of the country cut higher education budgets, and has proactively taken a number of deliberate and specific steps to reduce costs, resulting in savings of approximately \$15 million. Examples of these strategies include fully implementing the recommendations from the Texas School Performance Review, restructuring administrative services, installing more efficient environmental systems, eliminating certain workforce programs, altering full-time/part-time faculty ratio from 60/40 to 50/50, eliminating the Motor Pool, and many more initiatives.

In June and July of this year, a team of 50 leaders from all five colleges and the District office, incorporating staff, faculty, administrators and trustees, tackled this fiscal challenge head-on during four days of strategic sessions. The \$21 million gap in all funding sources in the FY11 operating budget, caused by the costs associated with increased enrollment, new facilities and reduced state appropriations, was addressed. The team carefully

considered hundreds of employee suggestions compiled from participant surveys and ideas submitted to the online Chancellor's Suggestion Box. Together, twenty-five initiatives were identified to take costs out of the business or generate new revenues in fiscal years 2011 and 2012, which will help offset the potential 10% biennial base reduction.

### **Strategic Planning**

The Board approves a strategic plan in three-year cycles. The plan is reviewed and reaffirmed every year, and involves all levels of the organization. The vision, mission, values and goals determine the overall strategic decisions for the Alamo Colleges. 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 operating budget, which is approved annually by the Board of Trustees.



The Alamo Colleges' strategic plan goals include: 1) maintain and extend an open door and affordable access to quality higher education; 2) increase academic support of all students; 3) build a world-class workforce education and training capacity in partnership with businesses and community-based organizations; 4) develop the human capital and strengthen the financial, technological, and physical capacities for first-rate student and community services; and 5) foster integrated organizational communication. These goals align with the state's higher education plan, entitled "Closing the Gaps by 2015." The Alamo Colleges follow the Baldrige Model to institute excellence in our education system. This national model includes an organizational self-assessment and self-improvement framework to increase efficiency, operate effectively, improve sustainability and accountability to stakeholders.

### **Cash and Investment Management**

The Board retains ultimate responsibility as fiduciaries of the financial assets of the District. The Associate Vice Chancellor of Finance and Fiscal Services is designated as the investment officer of the District and is responsible for the investment of funds consistent with the investment policy adopted by the Board.

### **Risk Management**

The District manages risk using a traditional approach incorporating purchase of insurance policies, design and implementation of safety programs and claims administration. The Department of Risk Management works with a licensed broker to obtain appropriate and adequate coverage designed to insure District property, equipment and other contents of buildings, including cash, and to provide coverage for special perils that are unique to the District's operations. The Risk Management Department develops and maintains procedures for reporting damage, losses, and other acts covered by the insurance program. The Safety Coordinator designs and implements safety-related programs and procedures for the workplace and the classroom.



## Major Initiatives



Student Success The Alamo Colleges actively participate in national, state and local initiatives to ensure student access and success. One national initiative, Achieving the Dream: Community Colleges Count, focuses on creating a “culture of evidence” on community college campuses in which data collection and analysis drive efforts to identify problems that prevent students from succeeding—particularly low-income students and students of color. It develops programs to help students stay in school and ultimately receive a certificate or diploma or transfer to a four-year institution. Recently Alamo Colleges was recognized as a leader in the national student completion movement by Achieving the Dream: Community Colleges Count. Alamo

Colleges, one of seven colleges nationally designated as a 2010 Leader College, was recognized for demonstrating sustained improvement and accomplishments on key student achievement indicators. A Leader College must have demonstrated commitment to and progress on the four principles of Achieving the Dream: committed leadership, use of evidence to improve programs and services, broad engagement, and systemic institutional improvement, as well as sustained improvement of student success. Alamo Colleges is proud to have received this recognition.

Project Phoenix In February 2009 a cross-functional District team began work on implementing the Enterprise Resource Planning (ERP) system known as Project Phoenix. Project Phoenix will replace legacy systems, establish a foundation of systems and processes to evolve and expand as needed, and implement business process improvements that reflect industry best practices. The Project Phoenix activities will be fully operational by Fall 2010 and include an update to the accounting finance module and implementation of new modules for human resources, payroll, student, and financial aid. The new ERP system will provide comprehensive information systems to students, faculty, staff, and the community in support Alamo Colleges' long-term mission of ensuring student success.

## Awards and Acknowledgements

Alamo Colleges was awarded its first Certificate of Achievement for Excellence in Financial Reporting from the GFOA for its comprehensive annual financial report for the fiscal year ended August 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The CAFR must satisfy generally accepted accounting standards and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. This report conforms to the Certificate of Achievement requirements, and it will be submitted for consideration of this award for this current reporting period.

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

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

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

## ALAMO COMMUNITY COLLEGE DISTRICT

### ORGANIZATIONAL DATA August 31, 2010

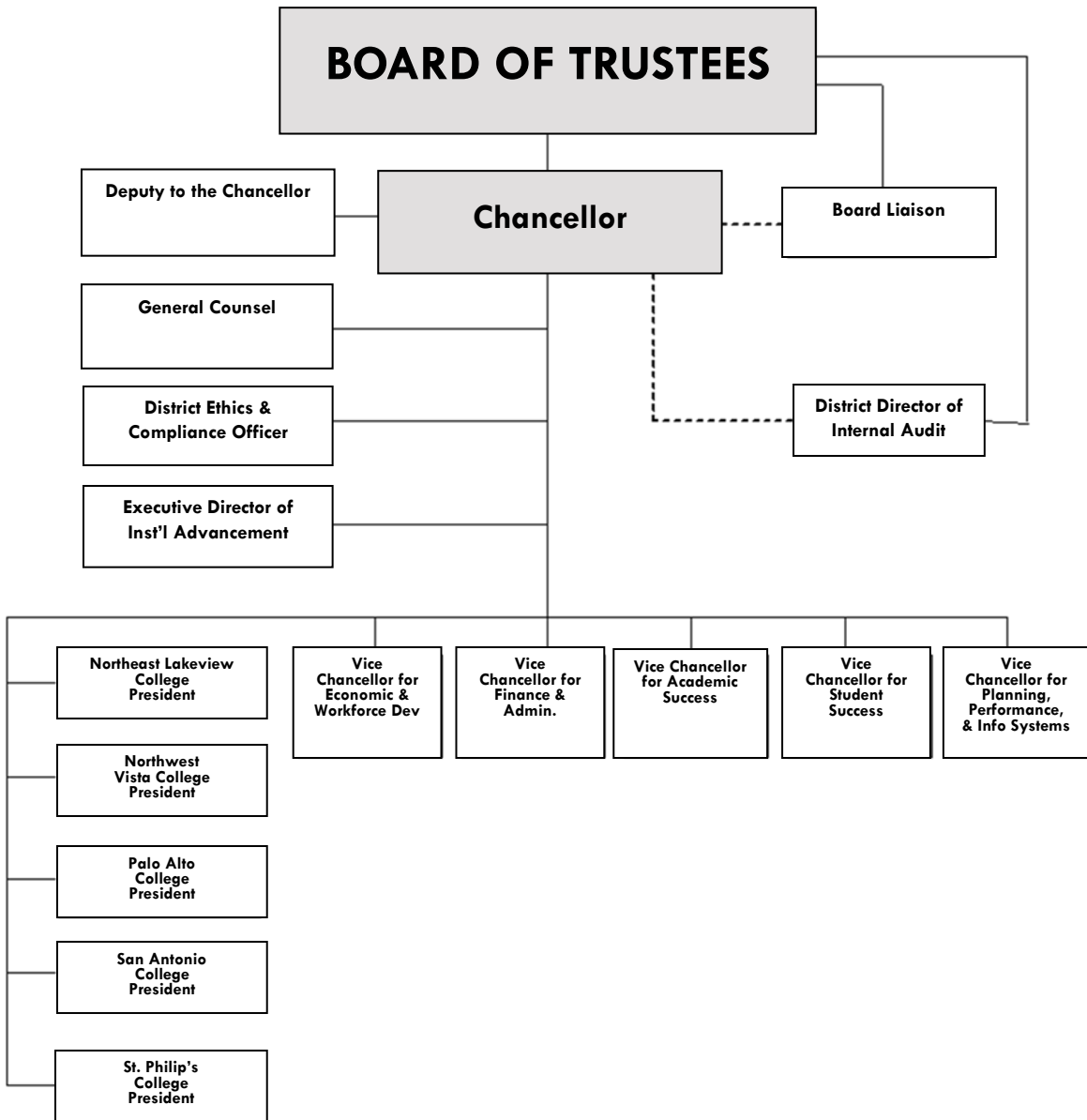
#### ELECTED OFFICIALS

Member	Position	City, State	Term Expires
Gary Beitzel	Chairperson	San Antonio, Texas	2014
James A. Rindfuss	Vice-Chairperson	Universal City, Texas	2014
Anna U. Bustamante	Secretary	San Antonio, Texas	2016
Marcelo S. Casillas	Assistant Secretary	San Antonio, Texas	2014
Blakely Latham Fernandez	Member of the Board	San Antonio, Texas	2012
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2012
Roberto Zárate	Member of the Board	San Antonio, Texas	2012
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	2016
Denver McClendon	Member of the Board	San Antonio, Texas	2016

#### ADMINISTRATIVE OFFICIALS

Dr. Bruce H. Leslie	Chancellor
Diane E. Snyder, CPA, M.S.	Vice Chancellor for Finance and Administration
Dr. Federico Zaragoza	Vice Chancellor of Economic and Workforce Development
Erik T. Dahler, J.D.	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Info. Systems
Dr. Robert Agüero	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Jim Eskin	Executive Director of Institutional Advancement
Dr. Eric Reno	President, Northeast Lakeview College
Dr. Jackie Claunch	President, Northwest Vista College
Dr. Ana Guzman	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Zeigler	President, San Antonio College
Pamela Ansbury, CPA, M.Ed	Associate Vice Chancellor for Finance and Fiscal Services
Ann DeBarros, CPA, MBA	District Comptroller
Patricia M. Major, CPA, CIA, CGAP	District Director of Internal Audit

# ALAMO COMMUNITY COLLEGE DISTRICT



## ALAMO COMMUNITY COLLEGE DISTRICT

### VISION

The Alamo Colleges will be the best in the nation.

### MISSION

Empowering our diverse communities for success.

### VALUES

- **INTEGRITY:** We have the courage to act ethically, building a culture of trust and respect.
- **COMMUNICATION:** We engage in open and transparent communication, information sharing, and collaboration.
- **COMMUNITY:** We commit to a joyful culture of learning and service where unity in diversity occurs through mutual respect, cooperation, and accessibility.
- **ACADEMIC FREEDOM:** We value creativity, growth, and transformation through vigorous inquiry and a free exchange of ideas for all.
- **ACCOUNTABILITY:** We take responsibility for our actions and strive for continuous learning and improvement.



# 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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



## **Financial Section**



ALAMO  
COLLEGES

## Report of Independent Auditors

The Board of Trustees  
Alamo Community College District

We have audited the accompanying basic financial statements of the Alamo Community College District (the District) as of and for the year ended August 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The basic financial statements of the District for the year ended August 31, 2009, were audited by other auditors whose report dated December 1, 2009, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the District's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2010, and the changes in its financial position and its cash flows for the year then ended in conformity with US generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2010, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis ("MD&A") is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's 2010 basic financial statements. The supplementary information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information for 2010 has been subjected to the auditing procedures applied in our audit of the 2010 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation

to the 2010 basic financial statements taken as a whole. The 2009 Supplementary Information was audited by other auditors whose report dated December 1, 2009, stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements taken as a whole for the year ended August 31, 2009.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Ernst & Young LLP*

December 7, 2010

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Management's Discussion and Analysis is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (District) for the fiscal year ended August 31, 2010. 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 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 Assets provide a summary of assets, liabilities and net assets as of August 31, 2010; the Statements of Revenues, Expenses and Changes in Net Assets provide a summary of operations for the year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows. Highlighted information from each basic financial statement is presented below.

- Total assets decreased \$15.2 million and total liabilities decreased \$18.6 million.
- The District's net assets at August 31, 2010 were \$277.3 million reflecting a \$3.4 million increase from prior year.
- The District's operating loss was \$301.4 million.
- Cash and Cash Equivalents decreased \$79.3 million during the year ended August 31, 2010.
- The District received an upgrade of its general obligation debt rating to Aaa, the highest possible rating from Moody's Investors Services.

Financial statements for the District's component unit, Alamo Community College District Foundation, Inc. (the Foundation), are issued independent 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 not significant to the District (Notes 1 and 20).

#### Statements of Net Assets

The Statements of Net Assets represent the District's financial position at the end of the fiscal year and includes all assets and liabilities of the District. Net Assets is the difference between assets and liabilities and serves as a general indicator of financial stability.

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, capital assets, investments and other assets not classified as current. Noncurrent liabilities include bonds payable and other long-term commitments.

A Condensed Schedule of Net Assets is presented below. Total assets decreased 1.6% or \$15.2 million during fiscal year 2010 and 6% or \$61.9 during fiscal year 2009. The decrease is due to several factors. Cash decreased approximately \$79 million in fiscal 2010 and \$74 million in 2009. Cash was utilized to decrease liabilities and to purchase capital assets related to the \$450 million voter-approved bond program.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Accumulated depreciation increased by \$20 million in fiscal 2010 and \$15.1 million in fiscal 2009. These increases are due to completion of construction projects that were subject to depreciation. Approximately \$1.5 million of funds were distributed to Alamo Community College District Foundation, Inc. during fiscal year 2009 representing gifts received by the District to be used for student scholarships.

During fiscal year 2010 total liabilities decreased 2% or \$18.6 million and by 7% or \$57.3 million during fiscal year 2009. Noncurrent liabilities decreased for two consecutive fiscal years while current liabilities decreased during fiscal year 2009 and slightly increased in 2010. Noncurrent liabilities consist primarily of bonds payable.

The District's net assets at August 31, 2010 were \$277.3 million compared to \$273.9 million at August 31, 2009. The increase of \$3.4 million excess revenues over expenses was accomplished at a time the State of Texas cut biennial appropriations for fiscal year 2010 and 2011 by 5% or \$7.2 million. Upon notification of the cut, additional cost reduction measures were strategically developed and implemented resulting in the slight increase of \$3.4 million to net assets (\$1.5 million to unrestricted, \$0.9 million to expendable net assets, and \$1 million in invested in capital assets) for the year ended August 31, 2010.

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

	Fiscal Year			Change	
	2010	2009	2008	2009 to 2010	2008 to 2009
Assets					
Cash and cash equivalents	\$ 89.6	\$ 169.0	\$ 242.8	\$ (79.4)	\$ (73.8)
Accounts and notes receivable, net	18.5	10.4	8.4	8.1	2.0
Investments	80.5	66.1	212.4	14.4	(146.3)
Endowment investments	10.3	9.8	13.4	0.5	(3.6)
Deferred charges and other	6.7	7.0	8.1	(0.3)	(1.1)
Capital assets	914.2	852.6	676.6	61.6	176.0
Accumulated depreciation	(172.4)	(152.3)	(137.2)	(20.1)	(15.1)
Total assets	947.4	962.6	1,024.5	(15.2)	(61.9)
Liabilities					
Current liabilities	87.3	86.4	122.0	0.9	(35.6)
Noncurrent liabilities	582.8	602.3	624.0	(19.5)	(21.7)
Total liabilities	670.1	688.7	746.0	(18.6)	(57.3)
Net assets					
Invested in capital assets, net of related debt	182.6	181.6	172.4	1.0	9.2
Restricted: nonexpendable	-	-	1.3	-	(1.3)
expendable	11.2	10.3	13.2	0.9	(2.9)
Unrestricted	83.5	82.0	91.6	1.5	(9.6)
Total net assets	\$ 277.3	\$ 273.9	\$ 278.5	\$ 3.4	\$ (4.6)

## ALAMO COMMUNITY COLLEGE DISTRICT

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

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

The Statements of Revenues, Expenses and Changes in Net Assets 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, expenses, gains and losses. Since a large portion of the revenue stream including ad valorem property taxes, state appropriations, and all federal financial aid grants are classified as non-operating revenues, Texas public community colleges will generally reflect an operating loss with the increase or decrease in net assets 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 assets. When the reverse occurs, the result is a decrease in net assets. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Assets and notes to the financial statements.

A summarized comparison of the District's revenues, expenses and changes in net assets for the years ended August 31, 2010, 2009, and 2008 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2010	2009	2008	2009 to 2010	2008 to 2009
Operating revenues (see detail below)	\$ 98.6	\$ 86.3	\$ 82.7	\$ 12.3	\$ 3.6
Operating expenses (see detail below)	400.0	351.4	301.7	48.6	49.7
Operating loss	(301.4)	(265.1)	(219.0)	(36.3)	(46.1)
Non-operating revenues (expenses):					
State appropriations	90.1	87.9	87.3	2.2	0.6
Ad valorem taxes	133.6	131.8	118.4	1.8	13.4
Federal grants, non-operating	113.4	82.5	62.5	30.9	20.0
Investment income	1.4	6.3	22.5	(4.9)	(16.2)
Interest on capital related debt	(28.0)	(28.8)	(29.5)	0.8	0.7
Other non-operating revenues (expenses)	(5.7)	(17.9)	(10.5)	12.2	(7.4)
Total non-operating revenues	304.8	261.8	250.7	43.0	11.1
Capital contributions/additions to permanent endowments	-	(1.2)	0.5	1.2	(1.7)
Increase (decrease) in net assets	3.4	(4.5)	32.2	7.9	(36.7)
Net assets - beginning of year	273.9	278.4	246.2	(4.5)	32.1
Net assets - end of year	\$ 277.3	\$ 273.9	\$ 278.4	\$ 3.4	\$ (4.6)

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

**Operating Revenues  
(in millions)**

	2010		2009		2008		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2009 to 2010	2008 to 2009
Net tuition and fees	\$ 58.9	59.8%	\$ 51.1	59.2%	\$ 52.8	63.8%	\$ 7.8	\$ (1.7)
Grants and contracts	34.0	34.4%	28.6	33.1%	23.0	27.8%	5.4	5.6
Auxiliary enterprises	4.5	4.6%	4.3	5.0%	4.2	5.1%	0.2	0.1
Other operating revenues	1.2	1.2%	2.3	2.7%	2.7	3.3%	(1.1)	(0.4)
<b>Total operating revenues</b>	<b>\$ 98.6</b>	<b>100.0%</b>	<b>\$ 86.3</b>	<b>100.0%</b>	<b>\$ 82.7</b>	<b>100.0%</b>	<b>\$ 12.3</b>	<b>\$ 3.6</b>

The percentage makeup of the components of total operating revenues remained relatively consistent over the last three fiscal years. For fiscal year 2009 and 2010, grants and contracts accounted for approximately one-third of operating revenues. Operating grant and contract revenue remained generally at the 2009 level, with a slight increase of \$5.4 million in fiscal year 2010.

The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented below. Total tuition and fees is presented net of waivers and financial aid applicable to tuition and fees, referred to as discounts. The table indicates the source of tuition and fees, as well as discounts. Tuition represents over 73% of the total tuition and fee revenue, with fees contributing approximately 20%, and the remaining 7% made up of continuing education (CE) and contract training. While total tuition and fees increased in fiscal 2010 by \$21.6 million to \$116.4 million, the discounts increased \$14 million for the same period over the 2009 levels. The discount rate increased from 46.1% in 2009 to 49.6% in 2010.

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

	2010		2009	
	Amount	% of Total	Amount	% of Total
Tuition	\$ 85.1	73.1%	\$ 69.8	73.6%
CE and contract training	8.0	6.9%	6.3	6.6%
Fees	23.3	20.0%	18.7	19.7%
<b>Total tuition and fees</b>	<b>\$ 116.4</b>	<b>100.0%</b>	<b>\$ 94.8</b>	<b>100.0%</b>

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

	% of Total		% of Total	
	Amount	Tuition & Fees	Amount	Tuition & Fees
Waivers and financial aid	\$ 57.7	49.6%	\$ 43.7	46.1%

Annual student credit hours, a determining factor of tuition revenue, increased from 0.9 million credit hours in fiscal year 2009 to 1.1 million student credit hours in fiscal year 2010, a 22.2% increase. The total number of students attending, approximately 58,600 (i.e. the student head count), increased from fall 2008 to fall 2009 by approximately 6,300 students or 12.1%.

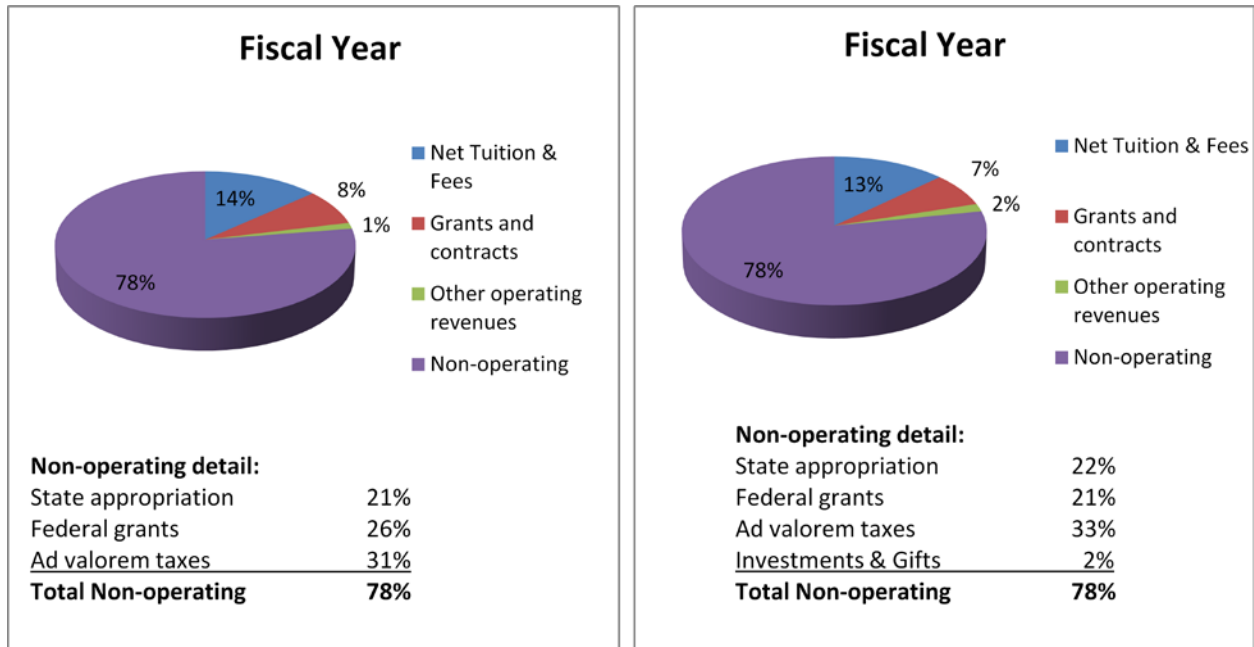


**ALAMO COMMUNITY COLLEGE DISTRICT**

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

Below is a chart of the major sources of revenue for fiscal years 2010 and 2009, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 78% for each fiscal year. The primary components of non-operating revenues remain as state appropriations, federal financial aid grants and ad valorem taxes.

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



Operating expenses are presented in both a natural and a functional classification. Following is a three year comparison of operating expenses by natural classification type. Salaries increased \$10.8 million or 6% from fiscal year 2009 to 2010 and \$13.3 million or 8.5% from fiscal 2008 to 2009. The fiscal year 2010 increase was caused in part by a 2% increase in salaries at mid-year. The salary increase is also reflected by the 10% increase in instructional expenses, a general functional expense category containing all faculty salaries.

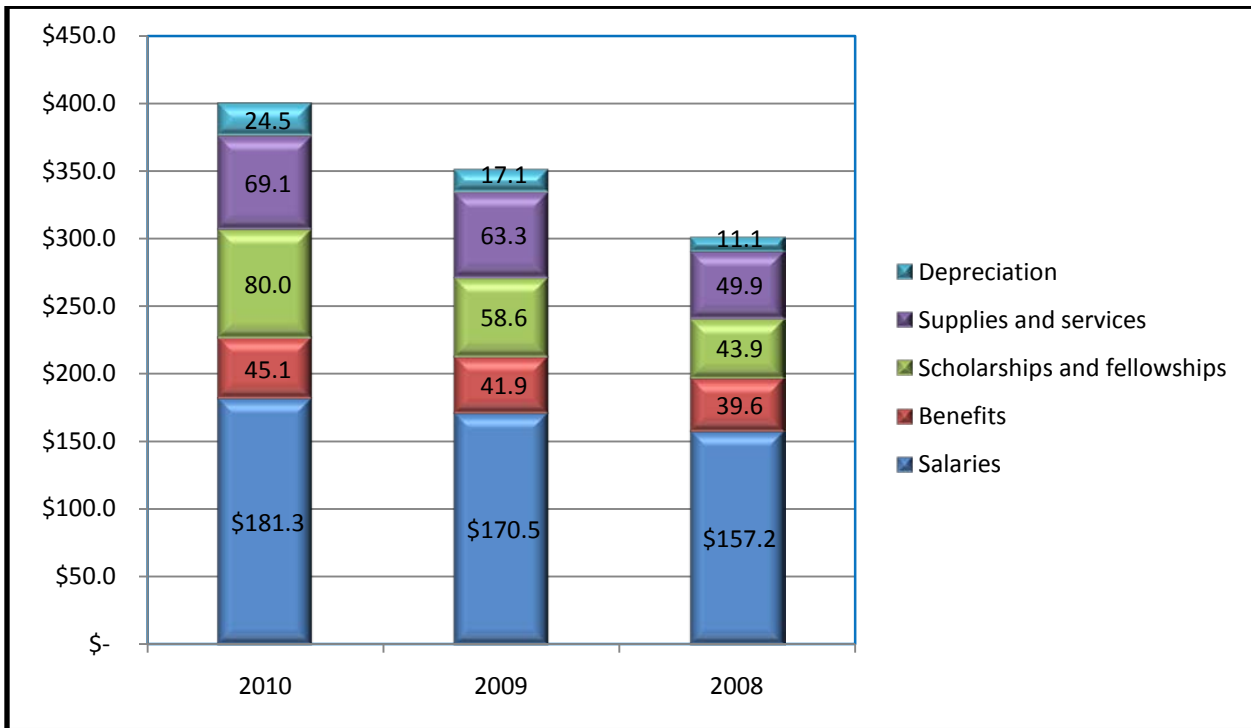
**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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

	Fiscal Year			Change	
	2010	2009	2008	2009 to 2010	2008 to 2009
Salaries	\$ 181.3	\$ 170.5	\$ 157.2	\$ 10.8	\$ 13.3
Benefits	45.1	41.9	39.6	3.2	2.3
Scholarships and fellowships	80.0	58.6	43.9	21.4	14.7
Supplies and services	69.1	63.3	49.9	5.8	13.4
Depreciation	24.5	17.1	11.1	7.4	6.0
<b>Total operating expenses</b>	<b>\$ 400.0</b>	<b>\$ 351.4</b>	<b>\$ 301.7</b>	<b>\$ 48.6</b>	<b>\$ 49.7</b>

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



Scholarship expense represents the amount disbursed to a student after a scholarship award is credited to the student's account for payment of tuition and fees. The overall enrollment growth from 2009 to 2010 was 5%. Scholarship expense increased for fiscal years 2010 and 2009 as more funds were disbursed due to the increase in the student population, and the average grant award per student increased from \$2,739 to \$3,286, or a 20% increase per student.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Expenses for supplies and services increased in fiscal 2009 and 2010 to support instruction and needs of the colleges and the institution as a whole. Included in this category are utilities and operating costs for new buildings in operation.

Depreciation and amortization expense increased \$7.4 million between fiscal years 2009 and 2010, primarily as a result of depreciation associated with new buildings completed in fiscal year 2010 and those completed in 2009 with a full year of depreciation for 2010.

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

	Fiscal Year			Change	
	2010	2009	2008	2009 to 2010	2008 to 2009
Instruction	\$ 145.1	\$ 130.8	\$ 123.6	\$ 14.3	\$ 7.2
Public service	0.3	0.6	0.6	(0.3)	-
Academic support	27.5	25.1	21.3	2.4	3.8
Student services	33.6	32.0	31.9	1.6	0.1
Institutional support	55.5	55.0	46.6	0.5	8.4
Operation & maintenance of plant	31.9	29.8	20.4	2.1	9.4
Depreciation	24.5	17.1	11.1	7.4	6.0
Scholarships and fellowships	80.0	58.6	43.9	21.4	14.7
Total educational and general	398.4	349.0	299.4	49.4	49.6
Auxiliary enterprises	1.6	2.4	2.3	(0.8)	0.1
Total operating expenses	\$ 400.0	\$ 351.4	\$ 301.7	\$ 48.6	\$ 49.7

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

- Instruction includes expenses for all activities that are a part of the instruction program, such as faculty salaries and benefits. Instruction expenses increased \$14.3 million in fiscal year 2010 as compared to fiscal year 2009. The increase relates to the continued growth of Northeast Lakeview College (20%) and Northwest Vista College (18%) with a constant enrollment at San Antonio College, St. Philip's College and Palo Alto College. The overall enrollment growth was 5%.
- Academic support includes expenses related to providing support services for the colleges' primary mission of instruction, including libraries, computing support, audio visual services, curriculum development and academic program administration. These expenses increased \$2.4 million and \$3.8 million in fiscal years 2010 and 2009, respectively. This is reflective of the expansion of Northeast Lakeview College and Northwest Vista College.
- Student services includes expenses of various departments serving students such as student newspapers, intramural athletics, student organizations, counseling and career guidance, student aid administration, student health services, counseling and student success centers. A slight increase of \$1.6 million in this category during fiscal 2010 is consistent with enrollment growth.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

- As stated earlier, scholarships and fellowships have increased \$21.4 million and \$14.7 million in fiscal years 2010 and 2009, respectively. This increase is due to the availability of financial aid funds for the increasing enrollment base.

The District's largest expense is salaries and benefits. Other significant expense categories include technology and utility costs. As the District continues to experience financial pressure from declining State of Texas appropriations and tax revenues, expense controls are in place as developed by Board members, administrators, faculty, staff and students across the institution. These measures include retirement incentives, increased class sizes, controlled hiring, outsourcing strategies, utility savings initiatives and other cost containment or revenue producing measures.

#### Statements of Cash Flows

The Statements of Cash Flows provide information about the sources of cash and the use of cash in the operations of the District. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital financing activities and investing activities. The Statements of Cash Flows indicated an overall decrease in cash and cash equivalents of \$79.4 million at August 31, 2010 and \$73.8 million at August 31, 2009. The primary use of cash in operations is in payment of salaries and benefits, followed by payments to suppliers for goods and services, then payments for scholarships and fellowships. Sources of cash from non-capital financing activities are primarily from non-operating federal revenue, ad valorem taxes and state appropriations. Financing activities include payment of debt, both principal and interest, as well as capital assets acquisition and construction. Excess operating cash earned \$1.5 million in fiscal year 2010 and \$6.7 million in fiscal year 2009.

#### Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The District had \$741.8 million and \$700.3 million invested in capital assets at August 31, 2010 and 2009, respectively, net of accumulated depreciation and amortization of \$172.4 million and \$152.3 million. Depreciation and amortization expenses totaled \$24.5 million in fiscal 2010 and \$17.1 million in fiscal 2009. (See Note 5, to the basic financial statements.) A summary of net capital assets is presented below:

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

	Fiscal Year			Change	
	2010	2009	2008	2009 to 2010	2008 to 2009
Land	\$ 54.6	\$ 54.5	\$ 54.0	\$ 0.1	\$ 0.5
Facility and land improvements	66.1	65.0	50.7	1.1	14.3
Buildings and work in progress	604.6	563.4	420.8	41.2	142.6
Furniture and equipment	12.3	12.8	9.4	(0.5)	3.4
Software	1.0	1.2	1.2	(0.2)	-
Library materials	3.2	3.4	3.3	(0.2)	0.1
Total capital assets, net	\$ 741.8	\$ 700.3	\$ 539.4	\$ 41.5	\$ 160.9

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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 table below lists assets subject to depreciation and the percentage depreciated to August 31, 2010 and 2009.

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

	Fiscal Year 2010			Fiscal Year 2009		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Facility and land improvements	\$ 100.4	\$ 34.3	34.2%	\$ 93.8	\$ 28.8	30.7%
Buildings, less work in progress	690.3	105.8	15.3%	596.0	90.8	15.2%
Furniture and equipment	30.1	17.8	59.1%	31.5	18.7	59.4%
Software	3.0	2.0	66.7%	2.7	1.5	55.6%
Library materials	15.8	12.6	79.8%	15.8	12.4	78.5%

Major capital additions and renovations completed or in progress during fiscal years 2010 and 2009 included the following:

	<b>Amount</b> (in millions)	<b>Square Footage</b> (in thousands)
<b>Fiscal Year 2010</b>		
San Antonio College Chemistry and Geology Renovation	\$ 7.7	50.7
San Antonio College Early College Programs Building Renovation	12.7	20.7
Southwest Campus Center of Excellence and Building 3020 Renovation	31.1	252.6
Palo Alto College Social Science Building Renovation	3.7	12.8
Palo Alto College Business Center Building Renovation	3.2	12.6
Palo Alto College Palomino Center Renovation	4.9	17.9
Northwest Vista College Mexican Persimmons Central Plant Renovation	4.0	17.0
Northwest Vista College Health, Fitness and Wellness Center	7.6	5.3
Northeast Lakeview College Wellness Center Addition	1.9	9.1
Northeast Lakeview College Fine Arts Facility Addition	0.8	2.2
<b>Fiscal Year 2009</b>		
San Antonio College First Responders Academy	\$ 3.7	25.9
St. Philip's College LRC/Welcome/Allied Health Center	56.2	219.8
Southwest Campus Diesel Lab	4.5	20.9
Palo Alto College Palomino and One Stop Center	13.2	72.0
Northwest Vista College Commons Building	11.8	56.8
Northwest Vista College Academic Learning Center II	15.5	85.8
Northwest Vista College Theatre and Fine Arts Center	18.6	60.5
Northeast Lakeview College Commons Building	15.3	64.2
Northeast Lakeview College Library	22.7	82.6
Northeast Lakeview College Performing Arts	11.2	22.3
Northeast Lakeview College Wellness Center	9.1	37.6

In accordance with GASB Statements No. 34 and 35, 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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

the expected life of the asset as depreciation and amortization expense. The amount shown in the accounting records for the value of the asset will decrease each year until the asset is fully depreciated or removed from service. As a result, the amount of capital assets shown in the Statements of Net Assets may decrease from one year to another, even though new assets have been acquired during the year. Capital assets subject to depreciation and amortization include improvements to land (such as parking lots and signage), buildings, library books, furniture and equipment. Land is not depreciated.

The District has entered into several contracts for construction and various other renovation projects financed by bond proceeds. As of August 31, 2010 and 2009, the District was committed for approximately \$23.2 million and \$72 million, respectively. For additional information concerning the District's capital assets, see Note 5 to the basic financial statements.

#### Debt

The District had \$589.2 million and \$598.6 million in outstanding debt at August 31, 2010 and 2009, respectively. Outstanding debt decreased by \$9.4 million and \$24.7 million in fiscal years 2010 and 2009, respectively. The table below summarizes these amounts by type of debt instrument. See also Note 8 to the basic financial statements for additional information.

#### Outstanding Debt at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2010	2009	2008	2009 to 2010	2008 to 2009
	General obligation bonds	\$ 411.7	\$ 419.3	\$ 430.4	\$ (7.6)
Revenue bonds	69.5	72.9	76.2	(3.4)	(3.3)
Tax notes	108.0	106.2	116.0	1.8	(9.8)
Notes payable	-	0.2	0.7	(0.2)	(0.5)
Total outstanding debt	\$ 589.2	\$ 598.6	\$ 623.3	\$ (9.4)	\$ (24.7)

During fiscal year 2010, although tax notes were reduced by \$10.1 million, an additional \$11.9 million in tax notes were approved by the Board of Trustees and issued for building renovations across the District. This accounts for the \$1.8 million increase in tax notes during fiscal year 2010.

The District's general obligation debt 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 revenues include, but are not limited to, general fees, pledged tuition, pledged auxiliary revenue and general fund investment income.

The District's bond ratings for the District's general obligation bonds are rated AA+ by Standard & Poor's and were upgraded from Aa1 to Aaa by Moody's Investor Services. The reasons cited for the upgrade during fiscal year 2010 included diverse tax base, stable enrollment growth, solid reserves and sound financial position. The ratings assigned to the District's revenue bonds by Moody's Investors Services and Standard & Poor's Rating

## **ALAMO COMMUNITY COLLEGE DISTRICT**

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

Services are Aa2 and AA-, respectively. 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**

After experiencing several years of strong growth, it is anticipated that the District's tax base will experience a decline of 1.3% in fiscal year 2011. The drop is a result of both an increase in exemptions, plus a decline in property market value. Tax collection rates are anticipated to decline slightly but are still strong at slightly under 98% in part due to State law which provides for a first lien position.

The district's economic condition is influenced by the economic positions of the State of Texas, County of Bexar and surrounding counties and the City of San Antonio. For November 2010, the U.S. Bureau of Labor Statistics reported the national unemployment rate at 9%, the Texas unemployment rate at slightly below 8% and the San Antonio rate at 7.2%. The Texas economy continues to fare better than those of many other states. The Federal Reserve Bank of Dallas, in its Metro Business-Cycle index for San Antonio, indicated the local economy declined 1.1% from September 2009 to September 2010 and declined 4.9% from September 2008 to September 2009.

Despite the economic slowdown at both the national, state and local levels, the District's outlook for the foreseeable future is positive as a result of its strategic leadership, fiscal management and stable local economy.



ALAMO  
COLLEGES



**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1**

**Statements of Net Assets  
August 31, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 41,706,036	\$ 43,001,075
Restricted cash and cash equivalents	23,902,799	47,472,797
Investments	13,031,000	53,102,778
Accounts receivable (net of allowance for doubtful accounts of \$6,625,235 and \$5,911,845 at 8/31/10 and 8/31/09)	18,471,464	10,218,623
Notes receivable (net of allowance for doubtful accounts of \$181,808 and \$133,237 at 8/31/10 and 8/31/09)	52,937	193,089
Other assets	579,106	333,047
Total current assets	97,743,342	154,321,409
Noncurrent assets		
Restricted cash and cash equivalents	24,020,637	78,527,741
Endowment investments	10,357,992	9,831,280
Long-term investments - operating	67,504,332	
Restricted investments		12,969,875
Unamortized debt issuance costs (net)	6,007,510	6,668,263
Capital assets (net)	741,803,216	700,271,705
Total noncurrent assets	849,693,687	808,268,864
<b>TOTAL ASSETS</b>	<b>947,437,029</b>	<b>962,590,273</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	25,354,710	32,687,772
Funds held for others	593,885	506,910
Deferred revenues	34,796,232	36,944,032
Current portion of long-term liabilities	26,581,675	16,279,908
Total current liabilities	87,326,502	86,418,622
Noncurrent liabilities		
	582,779,679	602,314,253
<b>TOTAL LIABILITIES</b>	<b>670,106,181</b>	<b>688,732,875</b>
<b>NET ASSETS</b>		
Invested in capital assets (net of related debt)	182,571,597	181,568,975
Restricted for:		
Expendable		
Student aid	3,851,177	3,487,977
Instructional programs	992,851	1,124,340
Capital projects	832,032	1,549,177
Debt service	5,535,991	4,094,258
Unrestricted	83,547,200	82,032,671
<b>TOTAL NET ASSETS (Schedule D)</b>	<b>\$ 277,330,848</b>	<b>\$ 273,857,398</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 Assets  
For Years Ended August 31, 2010 and 2009**

	2010	2009
<b>OPERATING REVENUES</b>		
Tuition and fees (net of discounts of \$57,743,819 and \$43,713,922, respectively)	\$ 58,892,041	\$ 51,114,954
Federal grants and contracts	21,369,410	17,250,163
State grants and contracts	9,503,799	8,097,385
Local grants and contracts	1,438,388	1,007,362
Non-governmental grants and contracts	1,656,285	2,221,447
Auxiliary enterprises	4,522,619	4,265,296
Other operating revenues	1,285,946	2,344,446
Total operating revenues ( <b>Schedule A</b> )	98,668,488	86,301,053
<b>OPERATING EXPENSES</b>		
Instruction	145,086,474	130,795,059
Public service	299,762	608,927
Academic support	27,528,914	25,130,924
Student services	33,630,977	32,011,515
Institutional support	55,463,434	54,950,688
Operation and maintenance of plant	31,846,553	29,806,622
Scholarships and fellowships	79,979,376	58,582,472
Auxiliary enterprises	1,644,545	2,449,411
Depreciation and amortization	24,549,546	17,043,838
Total operating expenses ( <b>Schedule B</b> )	400,029,581	351,379,456
<b>Operating loss</b>	(301,361,093)	(265,078,403)
<b>NON-OPERATING REVENUES/(EXPENSES)</b>		
State appropriations	90,134,871	87,947,041
Ad valorem taxes		
Taxes for maintenance and operations	89,615,404	88,412,612
Taxes for general obligation bonds	43,983,975	43,403,022
Federal grants, non-operating	113,380,484	82,534,453
Gifts	95,936	600,912
Investment income	1,439,442	6,293,122
Interest on capital related debt	(28,083,833)	(28,841,883)
Other non-operating revenues/(expenses)	(5,780,736)	(18,575,771)
Net non-operating revenues ( <b>Schedule C</b> )	304,785,543	261,773,508
<b>Income (loss) before other revenues (expenses)</b>	3,424,450	(3,304,895)
<b>OTHER REVENUES AND EXPENSES</b>		
Capital grants and gifts	49,000	249,000
Distribution to the Foundation		(1,521,233)
Total other revenues and expenses	49,000	(1,272,233)
<b>Increase (decrease) in net assets</b>	3,473,450	(4,577,128)
<b>NET ASSETS:</b>		
Net assets - beginning of year	273,857,398	278,434,526
Net assets - end of year	\$ 277,330,848	\$ 273,857,398

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, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 60,336,844	\$ 60,198,379
Receipts from grants and contracts	29,415,875	28,603,974
Collection of loans to students	205,461	76,702
Other receipts (payments)	(34,779)	2,326,645
Payments to or on behalf of employees	(208,727,983)	(204,647,964)
Payments to suppliers for goods and services	(61,377,396)	(73,169,766)
Payments for scholarships and fellowships	(79,979,376)	(58,582,472)
Payment for loans to students	(65,309)	(99,151)
Net cash used by operating activities	(260,226,663)	(245,293,653)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	72,385,164	80,032,053
Receipts from ad valorem taxes	89,469,464	88,190,034
Receipts from non-operating federal revenue	111,588,931	79,867,829
Receipts (payments) from gifts and grants (other than capital)	95,936	(920,321)
Receipts from student organizations and other agency transactions	86,975	131,819
Net cash provided by noncapital financing activities	273,626,470	247,301,414
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds on issuance of capital debt	12,123,215	-
Bond issuance costs	(126,420)	-
Receipts from ad valorem taxes for debt service	43,928,149	43,331,033
Receipts from capital grant contracts, grants and gifts	1,377,800	249,000
Payments for capital assets acquisition and construction of capital assets	(87,621,149)	(222,559,878)
Payments on capital debt - principal	(21,182,117)	(24,713,788)
Payments on capital debt - interest	(27,793,850)	(28,658,909)
Net cash used by capital and related financing activities	(79,294,372)	(232,352,542)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	52,579,646	221,090,271
Interest on investments	1,511,815	6,658,253
Purchase of investments	(67,569,037)	(71,235,725)
Net cash provided (used) by investing activities	(13,477,576)	156,512,799
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(79,372,141)	(73,831,982)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	169,001,613	242,833,595
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 89,629,472	\$ 169,001,613

(continued)

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 3**

**Statements of Cash Flows  
For Years Ended August 31, 2010 and 2009  
(continued)**

	2010	2009
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (301,361,093)	\$ (265,078,403)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	24,549,546	17,043,838
Allowance for doubtful accounts	470,853	734,245
Non-cash state appropriations - on-behalf payments	17,749,707	7,914,988
Changes in assets and liabilities:		
Receivables (net)	(6,802,749)	(109,127)
Other assets	(246,059)	403,713
Accounts payable	7,220,609	(11,646,703)
Deferred revenue	(2,147,800)	4,913,261
Compensable absences	235,213	263,980
Workers' compensation accrual	110,318	246,508
Utility escrow	(145,361)	42,496
Loans to students	140,153	(22,449)
Net cash used by operating activities	<u>\$ (260,226,663)</u>	<u>\$ (245,293,653)</u>

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

Decrease in fair value of investments	\$ (1,040,518)	\$ (527,000)
Gifts of depreciable and non-depreciable assets	\$ 59,617	\$ -
Decrease in rebatable arbitrage liability	\$ (1,228,207)	\$ (821,332)
Amortization of premium on bonds	\$ 707,949	\$ 607,817
Amortization of prepaid debt issuance costs	\$ 787,173	\$ 533,655
Amortization of loss on bond refundings	\$ 188,652	\$ 292,087

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 1. REPORTING ENTITY

The Alamo Community College District (Alamo Colleges, 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 according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. While the District receives funding from local, state, and federal sources and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units, including the Alamo Community College District Foundation, Inc. (the Foundation). The Foundation is a separate nonprofit 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. The financial information of the Foundation is not included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* - an Amendment of GASB Statement No. 14, as a component unit because the economic resources received or held by the Foundation that the District is entitled to, or has the ability to otherwise access, are not significant to the 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 2010. The District applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989 unless they conflict with or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities.

#### Tuition Discounting

##### *Texas Public Education Grants*

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

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

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

##### *Other Tuition Discounts*

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

#### Basis of Accounting

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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

#### Budgetary Data

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

#### Cash and Cash Equivalents

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

#### Restricted Cash and Cash Equivalents and Investments

Restricted cash and cash equivalents reserved for payment of restricted current liabilities are included as current assets. Cash and cash equivalents and investments that are externally restricted as to their use are classified as noncurrent assets in the Statements of Net Assets. 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.

#### Other Current Assets

Included in this category are prepaid expenses and inventories.

#### Accounts Receivable

Accounts receivable are recorded at the invoiced amounts. 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.

#### Investments

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity.

#### Unamortized Debt Issuance Costs

Unamortized debt issuance costs are amortized over the life of the related bond issue using the straight-line method.

#### Capital Assets

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

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

#### Capitalization of Interest Cost

The District applies the provisions of Statement of Financial Accounting Standards No. 34, *Capitalization of Interest Costs* (FAS 34), and Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Costs in Situations Involving Certain Tax-exempt Borrowings and Certain Gifts and Grants* (FAS 62), an amendment of FASB Statement No. 34, which requires the District to capitalize the interest and fees on new construction.

These standards require that the interest cost offset by interest earnings on the related construction proceeds be capitalized as a part of each new construction project unless the net effect is considered immaterial. Accordingly, no interest cost has been capitalized, as the interest earned has approximately equaled the interest cost to the District.

#### Compensable Absences

It is the District's policy to accrue employee vacation pay as earned. Sick leave is not accrued, as a terminated employee is not paid for accumulated sick leave, except for sick leave earned prior to September 1, 1987 (See Notes 6 and 12 for additional information).

#### Self-Insurance

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

#### Revenue Recognition and Deferred Revenues

Revenues are primarily tuition and fees and are recorded when earned. Unrestricted Fall tuition, fees, and other revenues received related to the period after each fiscal year have been deferred. 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 deferred charges, such as tuition exemptions, have been netted against deferred revenues. Restricted charges where all obligations have been fulfilled are treated as expenses in the period incurred.

#### 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 operating non-Title IV grants; state, local and private grants and contracts; and other revenues of a similar nature.

The major non-operating revenues are state appropriations, property tax collections, federal non-operating grants (Title IV), investment income and gifts.

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

#### 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.

#### Other Revenues and Expenses

In Fiscal Year 2009, to eliminate duplication of effort, the District transferred over to the Alamo Community College District Foundation its Restricted Expendable and Non-Expendable endowments. The endowments maintain their original purpose to provide scholarships and instructional support.

#### Restricted Resources

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

#### Net Assets

##### *Invested in Capital Assets, Net of Related Debt*

This category represents the District's total investment in capital assets, net of related outstanding debt and accumulated depreciation and amortization.

##### *Restricted Net Assets, Expendable*

These are net assets which the District is legally or contractually obligated to spend in accordance with external restrictions.

##### *Unrestricted Net Assets*

Unrestricted net assets 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.

#### Estimates

The preparation of the financial statements in conformity with 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.

#### Reclassifications

Certain amounts presented in the prior year were reclassified in order to be consistent with the current year's presentation. Accounts payable and accrued liabilities were combined; a portion of unamortized debt issuance costs were combined with current portion of long-term liabilities; and, accrued interest payable, workers compensation claims, and utility escrow were reclassified from current portion of long-term liabilities to accounts payable and accrued liabilities.

### 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 of 1995 (Sec. 2256.001, Texas Government Code) as amended. The District is required to invest its non-endowment funds in obligations and instruments as defined in the Act. Such 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, and (5) other instruments and obligations authorized by statute.

The District's investment policy also allows the investment of endowment funds in the following instruments: (1) preferred and common stocks, (2) bonds, and (3) debentures or obligations of corporations or other institutions. Endowments are managed in compliance with the Uniform Prudent Management of Institutional Funds Act (Texas Property Code Section 163.001).



**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**4. DEPOSITS AND INVESTMENTS**

The carrying amount of the District's deposits at August 31, 2010 and 2009 was \$457,635 and \$28,745,438, respectively. Total bank balances at August 31, 2010 and 2009 equaled \$14,505,927 and \$41,739,727, respectively. FDIC insures all of the District's noninterest-bearing bank deposits up to \$250,000. Total bank deposits in excess of \$250,000 are collateralized at 105% in U.S. Treasuries and Government Securities held in the District's name. The carrying amount of the bank demand deposits on the District's accounting system is (\$6,969,642). To maximize interest income, funds are not transferred from money market accounts or investments to the bank account until outstanding checks are expected to be presented for payment.

Cash and Cash Equivalents as reported on Exhibit 1, Statements of Net Assets, consisted of the following at August 31, 2010 and 2009:

	2010	2009
Bank deposits: Demand deposits	\$ (6,969,642)	\$ 6,135,638
Money market	<u>7,427,280</u>	<u>22,609,800</u>
Total bank deposits	457,638	28,745,438
TexPool deposits	89,122,434	140,218,246
Petty cash on hand	<u>49,400</u>	<u>37,929</u>
Total cash and cash equivalents	<u>\$ 89,629,472</u>	<u>\$ 169,001,613</u>

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

TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value. The pool seeks to maintain a \$1 value per share.

The fair value of investments as of August 31, 2010, and 2009, is disclosed below. Fair values of U.S. Government Securities have been calculated using values published by Bloomberg, L.P. Endowment fund fair values have been provided by the District's endowment custodian, Morgan Stanley Smith Barney.

Investments as reported on Exhibit 1, Statements of Net Assets, consisted of the following types of securities at August 31, 2010 and 2009:

Type of Security	2010	2009
Flex repurchase agreements	\$ -	\$ 12,969,875
U.S. government securities:		
FHLB coupon notes	55,713,724	31,763,715
FNMA coupon notes	9,077,488	19,306,563
FHLMC coupon notes	10,520,620	2,032,500
FFCB coupon notes	5,223,500	-
Endowment funds:		
Corporate stock-common	5,893,480	5,500,131
Bonds/cash and cash equivalents	<u>4,464,512</u>	<u>4,331,149</u>
Total	<u>\$ 90,893,324</u>	<u>\$ 75,903,933</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 4. DEPOSITS AND INVESTMENTS (Continued)

The reconciliation of deposits and investments between Note 4 and Exhibit 1, Statements of Net Assets for August 31, 2010 and 2009 is:

	2010	2009
Total cash and cash equivalents	\$ 89,629,472	\$ 169,001,613
Total investments	90,893,324	75,903,933
Total	\$ 180,522,796	\$ 244,905,546
 <u>Exhibit 1:</u>		
Cash and cash equivalents	\$ 41,706,036	\$ 43,001,075
Investments - current	13,031,000	53,102,778
Investments - noncurrent	67,504,332	-
Restricted cash and cash equivalents - current	23,902,799	47,472,797
Restricted cash and cash equivalents - noncurrent	24,020,637	78,527,741
Endowment investments	10,357,992	9,831,280
Restricted investments-noncurrent	-	12,969,875
Total	\$ 180,522,796	\$ 244,905,546

**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. The District actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts, and liquidity needs. The District further limits interest rate risk by laddering maturities.

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 each investment type.

The District had the following investments and maturities at August 31, 2010 and 2009:

Investment Type	2010		2009	
	Fair Value	Weighted Average Maturity (Years)	Fair Value	Weighted Average Maturity (Years)
Flex repurchase agreements	\$ -	0.000	\$ 12,969,874	0.211
FNMA coupon notes	9,077,488	2.334	19,306,563	1.328
FHLB coupon notes	55,713,724	0.539	31,763,716	1.147
FHLMC coupon notes	10,520,620	2.049	2,032,500	0.663
FFCB coupon notes	5,223,500	0.940	-	0.000
TexPool	89,122,434	0.003	140,218,246	0.003
	\$ 169,657,766		\$ 206,290,899	
Portfolio weighted average maturity		0.459		0.323

**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. Investments in federal agency securities are limited to AAA. At both August 31, 2010 and August 31, 2009 the District’s FHLB, FFCB, FNMA, and FHLMC coupon notes were all rated AAA, and the District’s investment in TexPool was rated AAAM. The flexible repurchase agreements are collateralized with treasury securities.

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 4. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk – The District's investment policy limits investments in the endowment portfolio to no more than 20% of any one industry, no more than 5% in any one corporation, and no more than 1% of any one corporation's outstanding stock. Endowment investments were within limitations set by District policy.

The District is required to disclose investments in any investment type that represents 5% or more of the investments. At August 31, 2010, the District had invested its non-endowment funds in TexPool (52.5%), in FHLB coupon notes (32.8%), in FNMA coupon notes (5.4%), and in FHLMC coupon notes (6.2%). At August 31, 2009, the District had invested its non-endowment funds in TexPool (68.0%), in flexible repurchase agreements (6.3%), in FHLB coupon notes (15.4%), and in FNMA coupon notes (9.4%).

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District's investments, other than funds in TexPool, are held by a third party custodian in the name of the District, and as a result are not subject to custodial credit risk.

By policy, annual transfers from the endowment to scholarship and other College District accounts shall be recommended by the administration to the Board through the normal budget process.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2010 was as follows:

	Balance 9/1/2009	Increases	Decreases	Balance 8/31/2010
<u>Not Depreciated:</u>				
Land	\$ 54,456,915	\$ 167,238	\$ -	\$ 54,624,153
Construction in progress	58,207,188	62,772,893	100,853,115	20,126,966
Subtotal	<u>112,664,103</u>	<u>62,940,131</u>	<u>100,853,115</u>	<u>74,751,119</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and building improvements	596,020,795	94,261,616	-	690,282,411
Other real estate improvements	93,818,607	6,591,499	-	100,410,106
Total buildings and other real estate improvements	<u>689,839,402</u>	<u>100,853,115</u>	<u>-</u>	<u>790,692,517</u>
Software	2,686,209	92,400	-	2,778,609
Furniture, machinery, and equipment	31,527,994	3,508,682	4,913,064	30,123,612
Library books	15,808,625	202,064	115,392	15,895,297
Total buildings and other capital assets	<u>739,862,230</u>	<u>104,656,261</u>	<u>5,028,456</u>	<u>839,490,035</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	90,838,492	14,885,643	-	105,724,135
Other real estate improvements	28,810,763	5,488,463	-	34,299,226
Total buildings and other real estate improvements	<u>119,649,255</u>	<u>20,374,106</u>	<u>-</u>	<u>140,023,361</u>
Software	1,475,212	506,556	-	1,981,768
Furniture, machinery, and equipment	18,740,712	3,332,097	4,250,844	17,821,965
Library Books	12,389,449	336,787	115,392	12,610,844
Total accumulated depreciation	<u>152,254,628</u>	<u>24,549,546</u>	<u>4,366,236</u>	<u>172,437,938</u>
Net capital assets	<u>\$ 700,271,705</u>	<u>\$ 143,046,846</u>	<u>\$ 101,515,335</u>	<u>\$ 741,803,216</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS (Continued)**

Capital assets activity for the year ended August 31, 2009 was as follows:

	Balance 9/1/2008	Increases	Decreases	Balance 8/31/2009
<u>Not depreciated:</u>				
Land	\$ 53,968,381	\$ 488,534	\$ -	\$ 54,456,915
Construction in progress	142,378,493	170,104,098	254,275,403	58,207,188
Subtotal	<u>196,346,874</u>	<u>170,592,632</u>	<u>254,275,403</u>	<u>112,664,103</u>
<u>Buildings and other capital assets:</u>				
Buildings and building improvements	360,157,436	235,863,359	-	596,020,795
Other real estate improvements	75,406,562	18,412,045	-	93,818,607
Total buildings and other real estate improvements	<u>435,563,998</u>	<u>254,275,404</u>	<u>-</u>	<u>689,839,402</u>
Software	2,274,254	411,955	-	2,686,209
Furniture, machinery, and equipment	26,336,642	6,443,013	1,251,661	31,527,994
Library books	16,133,197	455,358	779,930	15,808,625
Total buildings and other capital assets	<u>480,308,091</u>	<u>261,585,730</u>	<u>2,031,591</u>	<u>739,862,230</u>
<u>Accumulated depreciation and amortization:</u>				
Buildings and building improvements	81,707,812	9,130,680	-	90,838,492
Other real estate improvements	24,748,437	4,062,326	-	28,810,763
Total buildings and other real estate improvements	<u>106,456,249</u>	<u>13,193,006</u>	<u>-</u>	<u>119,649,255</u>
Software	1,020,361	454,851	-	1,475,212
Furniture, machinery, and equipment	16,887,540	3,069,719	1,216,547	18,740,712
Library books	12,843,117	326,262	779,930	12,389,449
Total accumulated depreciation	<u>137,207,267</u>	<u>17,043,838</u>	<u>1,996,477</u>	<u>152,254,628</u>
Net capital assets	<u>\$ 539,447,698</u>	<u>\$ 415,134,524</u>	<u>\$ 254,310,517</u>	<u>\$ 700,271,705</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**6. NONCURRENT LIABILITIES**

As of August 31, 2010, noncurrent liabilities are \$582,799,679 with activity for the year as follows:

	Total Liabilities				
	Balance 09/01/09	Additions	Reductions	Balance 08/31/10	Current Portion
Bonds and Tax Notes Payable					
General obligation bonds	\$ 419,298,778	\$ -	\$ 7,580,000	\$ 411,718,778	\$ 7,598,778
Revenue bonds	72,900,000	-	3,405,000	69,495,000	3,560,000
Tax notes	106,155,000	11,860,000	9,990,000	108,025,000	10,340,000
Premium on bonds payable	11,523,075	263,215	707,949	11,078,341	579,947
Discount on bonds payable	(160,607)	-	(9,586)	(151,021)	(9,586)
Deferred charges on refundings	(1,922,000)	-	(188,652)	(1,733,348)	(154,174)
Subtotal	607,794,246	12,123,215	21,484,711	598,432,750	21,914,965
Notes payable	207,117	-	207,117	-	-
Compensable absences	8,611,784	947,007	711,794	8,846,997	4,617,531
Deferred contract	-	1,328,800	-	1,328,800	-
Arbitrage rebate liability	1,981,014	-	1,228,207	752,807	49,179
<b>Total Noncurrent Liabilities</b>	<b>\$ 618,594,161</b>	<b>\$ 14,399,022</b>	<b>\$ 23,631,829</b>	<b>\$ 609,361,354</b>	<b>\$ 26,581,675</b>

As of August 31, 2009, noncurrent liabilities are \$602,314,253 with activity for the year as follows:

	Total Liabilities				
	Balance 09/01/08	Additions	Reductions	Balance 08/31/09	Current Portion
Bonds and Tax Notes Payable					
General obligation bonds	\$ 430,393,778	\$ -	\$ 11,095,000	\$ 419,298,778	\$ 7,580,000
Revenue bonds	76,180,000	-	3,280,000	72,900,000	3,405,000
Tax notes	116,010,000	-	9,855,000	106,155,000	4,150,000
Premium on bonds payable	12,130,892	-	607,817	11,523,075	527,670
Discount on bonds payable	(170,193)	-	(9,586)	(160,607)	(9,586)
Deferred charges on refundings	(2,214,087)	-	(292,087)	(1,922,000)	(292,087)
Subtotal	632,330,390	-	24,536,144	607,794,246	15,360,997
Notes payable	690,905	-	483,788	207,117	207,117
Compensable absences	8,347,804	833,212	569,232	8,611,784	711,794
Deferred revenues	23,811	-	23,811	-	-
Arbitrage rebate liability	2,802,346	-	821,332	1,981,014	-
<b>Total Noncurrent Liabilities</b>	<b>\$ 644,195,256</b>	<b>\$ 833,212</b>	<b>\$ 26,434,307</b>	<b>\$ 618,594,161</b>	<b>\$ 16,279,908</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**7. DEBT AND LEASE OBLIGATIONS**

Debt service requirements at August 31, 2010 were as follows (amounts in 000's):

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Total Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	7,599	19,640	3,560	3,105	10,340	4,922	21,499	27,667
2012	8,240	19,001	3,715	2,943	4,490	4,656	16,445	26,600
2013	8,625	18,606	3,885	2,773	4,690	4,458	17,200	25,836
2014	9,050	18,183	4,075	2,594	4,915	4,228	18,040	25,006
2015	9,500	17,740	3,820	2,416	5,155	3,996	18,475	24,152
2016-2020	55,115	81,083	21,805	9,227	28,355	16,293	105,275	106,603
2021-2025	70,045	66,132	23,185	3,827	35,595	8,283	128,825	78,243
2026-2030	88,050	48,145	4,780	658	14,485	666	107,315	49,468
2031-2035	110,250	25,931	670	34	-	-	110,920	25,965
2036-2037	45,245	2,939	-	-	-	-	45,245	2,939
<b>Total</b>	<b>\$ 411,719</b>	<b>\$ 317,400</b>	<b>\$ 69,495</b>	<b>\$ 27,577</b>	<b>\$ 108,025</b>	<b>\$ 47,502</b>	<b>\$ 589,239</b>	<b>\$ 392,479</b>

Debt service requirements at August 31, 2009 were as follows (amounts in 000's):

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Total Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 7,580	\$ 19,625	\$ 3,405	\$ 3,255	\$ 4,150	\$ 5,000	\$ 15,135	\$ 27,880
2011	7,599	19,640	3,560	3,105	4,320	4,832	15,479	27,577
2012	8,240	19,001	3,715	2,943	4,490	4,656	16,445	26,600
2013	8,625	18,606	3,885	2,773	4,690	4,458	17,200	25,837
2014	9,050	18,183	4,075	2,594	4,915	4,228	18,040	25,005
2015-2119	52,490	83,704	21,045	10,203	27,430	17,593	100,965	111,500
2020-2024	66,840	69,344	25,155	4,944	33,805	10,073	125,800	84,361
2025-2029	84,155	52,040	6,605	928	22,355	1,572	113,115	54,540
2030-2034	105,380	30,802	1,455	87	-	-	106,835	30,889
2035-2037	69,340	6,080	-	-	-	-	69,340	6,080
<b>Total</b>	<b>\$ 419,299</b>	<b>\$ 337,025</b>	<b>\$ 72,900</b>	<b>\$ 30,832</b>	<b>\$ 106,155</b>	<b>\$ 52,412</b>	<b>\$ 598,354</b>	<b>\$ 420,269</b>

Rental payments of \$1,279,553 and \$1,413,197 under operating leases and rental agreements were included in operating expenses for the years ended August 31, 2010 and 2009, respectively.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**8. BONDS AND TAX NOTES PAYABLE**

Bonds and tax notes payable for the year ended August 31, 2010 and 2009 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Repayment Source	Balance August 31, 2010	Balance August 31, 2009
<b>General Obligation Bonds</b>					
2002	Refund prior bond series. Issued August 15, 2002.	\$ 1,998,778	Ad valorem taxes	\$ 393,778	\$ 1,133,778
2002A	Refund prior bond series. Issued December 12, 2002.	25,060,000	Ad valorem taxes	-	1,175,000
2006	To construct, renovate, acquire and equip new and existing facilities. Issued April 20, 2006.	60,710,000	Ad valorem taxes	42,210,000	42,210,000
2006A	To construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006.	49,580,000	Ad valorem taxes	49,580,000	49,580,000
2007	To construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	271,085,000	Ad valorem taxes	261,845,000	266,555,000
2007A	To construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	Ad valorem taxes	57,690,000	58,645,000
<b>Maintenance Tax Notes</b>					
2005	Purchase equipment, vehicles and renovate various facilities. Issued September 20, 2005.	\$ 7,450,000	Ad valorem taxes	2,290,000	2,570,000
2006	Purchase equipment, vehicles and renovate various facilities. Issued April 20, 2006.	30,435,000	Ad valorem taxes	26,860,000	27,985,000
2007	Purchase equipment, vehicles and renovate various facilities. Issued September 18, 2007.	81,110,000	Ad valorem taxes	72,855,000	75,600,000
2009	To renovate and equip various existing District facilities. Issued September 10, 2009.	11,860,000	Ad valorem taxes	6,020,000	-
<b>Combined Fee Revenue Bonds</b>					
2001	Refund prior bond series; and to construct, renovate, and equip academic buildings and acquire sites. Issued September 19, 2001.	\$ 53,615,000	Pledged revenues*	\$ 25,800,000	\$ 27,360,000
2003	Refund prior bond series; and to construct, renovate, and equip academic buildings and acquire sites. Issued September 23, 2003.	10,655,000	Pledged revenues*	\$ 4,610,000	\$ 5,645,000
2004	Purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued August 11, 2004.	7,235,000	Pledged revenues*	6,310,000	6,505,000
2005	To purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued September 20, 2005.	2,435,000	Pledged revenues*	1,815,000	1,980,000
2007	Refund prior bond series; and to construct, renovate, and equip academic buildings and acquire sites. Issued March 8, 2007.	27,175,000	Pledged revenues*	26,225,000	26,555,000
2007A	Purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued September 18, 2007.	5,150,000	Pledged revenues*	4,735,000	4,855,000
<b>Total Bonds</b>				<b>\$ 589,238,778</b>	<b>\$ 598,353,778</b>

\*Pledged revenues include tuition, general and parking fees, bookstore and food service commissions and general unrestricted investment income.



# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

Bonds payable are due in annual installments varying from \$115,000 to \$16,365,000 with interest rates from 3.0% to 5.375% with the final installment due in fiscal year 2037.

For the year ended August 31, 2010, the revenue pledged as security for revenue bond debt service includes a portion of tuition and general fee revenue, \$37.7 million, investment income, \$1.6 million, and auxiliary revenue, \$4.1 million. For the year ended August 31, 2009, the revenue pledged as security for revenue bond debt service includes a portion of tuition and general fee revenue, \$30.6 million, investment income, \$1.0 million, and auxiliary revenue, \$3.6 million.

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 the sum of (1) the excess of the amount earned on all "nonpurpose investments" acquired with "gross proceeds" of the issue over the amount which would have been earned if such investments had been invested at a yield equal to the yield on the issue, and (2) the earnings on such excess earnings.

The U.S. Department of Treasury temporary regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. The due date of the rebate is five years from the date of issue. The amount reserved for arbitrage rebate is reflected as part of noncurrent liabilities in the amount of \$752,807 and \$1,981,014 as of August 31, 2010, and 2009, respectively.

### 9. DEFEASANCE OF DEBT

The District had \$17,900,000 of defeased bonds outstanding at August 31, 2010 and 2009.

### 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 or in the Optional Retirement Plan. Faculty, administrators, counselors and librarians may enroll in either the Teacher Retirement System of Texas or the Optional Retirement Plan. Secretarial, clerical and professional employees are limited to participation in the Teacher Retirement System of Texas. Employees who are eligible to participate in the Optional Retirement Plan 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 Optional Retirement Plan but declined, must remain with the Teacher Retirement System of Texas for the duration of their employment in the Texas education system.

#### Teacher Retirement System of Texas

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

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize Texas Retirement System's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.40% for fiscal years 2010 and 2009 and a state contribution rate of 6.644% and 6.58% for fiscal years 2010 and 2009, respectively. The fiscal year 2010 state contribution rate was increased to 6.644% from 6.4%

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

January, 2010. In certain instances the District is required to make all or a portion of the state's 6.58% contribution for fiscal years 2010 and 2009.

#### **Optional Retirement Plan**

*Plan Description.* The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.40% and 6.65%, respectively. The District contributed 2.10% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense for both plans to the State of Texas for the District was \$8,578,013 and \$7,790,990 for the fiscal years ended August 31, 2010 and 2009, respectively. This amount represents the portion of expended appropriations made by the State legislature on behalf of the District. The related retirement expense for the District was \$1,889,331 and \$1,779,316 for the years ended August 31, 2010 and 2009, respectively, and represents the total required contributions for each year.

The total payroll for all District employees was \$181,337,005 and \$170,515,759 for fiscal years 2010 and 2009, respectively. The total payroll of employees covered by the Teacher Retirement System was \$99,416,018 and \$93,694,356, and the total payroll of employees covered by the Optional Retirement Program was \$50,432,401 and \$50,190,935 for fiscal years 2010 and 2009, respectively.

### 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 Government Code 609.001.

A total of \$2,516,498 was contributed by 501 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 94 participants contributed a total of \$409,832 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2010.

A total of \$2,465,611 was contributed by 524 District employees under the Section 403(b) Tax Sheltered Annuity (TSA) program and 96 participants contributed a total of \$355,845 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2009.

The District does not contribute to either plan. The deferred compensation program is 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 eight hours of sick leave and from three to twelve hours of annual leave per month depending on their length of employment with the District. 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. Sick leave balances may accumulate indefinitely with no maximum. Effective September 1, 1987, payment for unused sick leave at termination date is limited to all or to a portion of the days accumulated prior to September 1, 1987, subject to limitations depending upon length of service and type of termination. 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.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**12. COMPENSABLE ABSENCES (Continued)**

The District recognizes the accrued liability for annual and sick leave as a noncurrent liability in the Statements of Net Assets (see Note 6). The District's reporting of accrued liabilities for compensable absences is in accordance with GASB Statement

No. 16, *Accounting for Compensable Absences*. The current portion of the vacation leave liability is that which is projected to be paid during the next fiscal year is based on a five year average. Other vested leave will be paid out in full during fiscal year 2011. The total accrued at August 31, 2010 of \$8,846,997 was allocated \$3,999,934 to sick leave and \$4,847,064 to annual leave. The total accrued at August 31, 2009 of \$8,611,784 was allocated \$4,435,308 to sick leave and \$4,176,476 to annual leave.

**13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

Receivables at August 31, 2010 and 2009 were as follows:

	2010	2009
Tuition and fees receivable (net of allowance for doubtful accounts of \$2,233,930 and \$2,092,937 in 2010 and 2009)	\$ 2,019,606	\$ 1,560,443
Taxes receivable (net of allowance for doubtful accounts of \$4,165,827 and \$3,568,635 in 2010 and 2009)	2,317,174	2,115,408
Contracts and grants receivable	11,330,619	4,987,059
Interest receivable	621,511	693,884
Other receivables (net of allowance for doubtful accounts of \$225,477 and \$250,273 in 2010 and 2009)	2,182,554	861,829
Total	\$ 18,471,464	\$ 10,218,623

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

Payables and Accrued Liabilities at August 31, 2010 and 2009 were as follows:

	2010	2009
Payable to vendors	11,291,590	8,510,307
Salaries and benefits payable	2,625,231	2,855,721
Construction retainage payable	7,680,106	17,541,439
Accrued interest payable	2,392,802	2,380,281
Workers' compensation claims	885,580	775,262
Other	479,401	624,762
Total	\$ 25,354,710	\$ 32,687,772

**14. FUNDS HELD FOR OTHERS**

The District began participation in the Federal Direct Loan Program in Fiscal Year 2010. The District holds unapplied federal direct loan program funds, funds for certain students as well as student and staff organizations. These amounts are reflected in the Statements of Net Assets as funds held for others in the amount of \$593,885 as of August 31, 2010 and \$506,910 as of August 31, 2009.

**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 Assets. Contract and grant awards for which funds have been expended but not yet collected are included in Accounts Receivable in Exhibit 1, the Statements of Net Assets. Contract and grant awards for which funds have been received but not yet expended are included in Deferred Revenue in the Statements of Net Assets. 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, including multi-year awards or funds awarded during Fiscal Years 2010 and 2009, respectively, for which funds had not been received or expended, totaled approximately \$16 million and \$13 million. Of this amount approximately, \$12 million and \$6 million was from federal and approximately \$4 million and \$7 million was from state contract and grant awards for the years ended August 31, 2010 and 2009.

**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.

Effective February 1, 1991 the District began its Workers' Compensation Self-Insurance Program administered by a third party administrator. Through this Program, the District self-insures workers' compensation claims up to \$350,000 per occurrence. Individual losses of over \$350,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, \$2.6 million of unrestricted net assets has been designated by the District to cover losses in excess of those covered by insurance and the program related accounts. The District 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 Program.

Claims and administrative expenses are paid from the Program. The accrued liability presented below represents a provision for unpaid expected claims of \$885,580 and \$775,262 at August 31, 2010 and 2009, respectively. These liabilities are generally based on actuarial valuation and the present value of unpaid expected claims and are included in accounts payable and accrued liabilities (See Note 13). The discount rate used to calculate the present value of liabilities was 4% for August 31, 2010 and 2009.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2010	\$ 775,264	906,008	(795,692)	\$ 885,580
2009	\$ 528,754	1,046,304	(799,796)	\$ 775,262

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

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

The state recognizes the cost of providing these benefits for active employees and retirees by expending the annual insurance premiums. The state's contribution per eligible fulltime employee or retiree was between \$357 and \$753 per month for the year ended August 31, 2010, and totaled \$12,322,985 and \$12,309,355 for the years ended August 31, 2010 and 2009, respectively. The state's cost of providing these benefits for 740 District retirees was \$3,448,126 and for 2,766 active employees was \$8,874,859 for the year ended August 31, 2010. The state's cost of providing these benefits for 686 District retirees was \$3,076,974 and for 2,711 active employees was \$9,232,380 for the year ended August 31, 2009.

Contributions by the State of Texas on behalf of the District's employees for group insurance benefits are recorded as state appropriations. In Fiscal Year 2009, these benefits were paid by the District and subsequently reimbursed by the State. In

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

Fiscal Year 2010, these funds did not flow through the District's accounts. An equal amount has been recognized in the appropriate functional expense categories.

The following information is provided to comply with the requirements of the Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*.

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

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

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The District's contributions to SRHP for the years ended August 31, 2010, 2009, and 2008 were \$144,841, \$174,460, and \$92,266, respectively, which equaled the required contributions each year.

### 18. AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business personal property located in the District.

General information follows for the years ended August 31, 2010 and 2009:

	2010	2009
Assesed valuation of the District	\$ 110,746,665,402	\$ 108,515,755,336
Less: Exemptions	(9,570,660,304)	(8,679,501,416)
Less: Tax increment financings	(487,246,675)	(411,790,743)
Net assessed valuation of the District	\$ 100,688,758,423	\$ 99,424,463,177

**ALAMO COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**18. AD VALOREM TAX (Continued)**

The authorized and assessed tax rates for the year ended August 31, 2010 and 2009 are as follows:

	2010			2009		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax rate per \$100 valuation authorized (Maximum per enabling legislation)	\$ -	\$ -	\$ 0.250000	\$ -	\$ -	\$ 0.250000
Tax rate per \$100 valuation assessed	\$ 0.091105	\$ 0.044750	\$ 0.135855	\$ 0.091105	\$ 0.044750	\$ 0.135855

Taxes levied for the years ended August 31, 2010 and 2009 are \$134,340,094 and \$132,171,475, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest for the previous tax year.

The tax collection detail at August 31, 2010 and 2009 are as follows:

	2010			2009		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 87,694,122	\$ 43,075,143	\$ 130,769,265	\$ 86,471,587	\$ 42,474,550	\$ 128,946,137
Tax increment financing payment	(606,350)	-	(606,350)	(663,917)	-	(663,917)
Delinquent taxes collected	1,061,867	476,573	1,538,440	1,084,544	475,127	1,559,671
Penalties and interest	1,326,753	377,638	1,704,391	1,311,984	367,192	1,679,176
Total	\$ 89,476,392	\$ 43,929,354	\$ 133,405,746	\$ 88,204,198	\$ 43,316,869	\$ 131,521,067

Tax collections for the years ended August 31, 2010 and 2009 were 97.78% and 97.98%, respectively, of the current 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/or general obligation debt service.

**19. INCOME TAXES**

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The District had no unrelated business income tax liability for the years ended August 31, 2010 and 2009.

**20. RELATED PARTIES**

The Alamo Community College District Foundation, Inc. (the Foundation) is organized under the Texas Non-Profit Corporation Act and is a tax-exempt institution under Section 501(c)(3) of the Internal Revenue Code. It has a year-end of December 31. Its purpose is to maintain, develop, increase and extend the facilities and services of the District and to provide broader educational service opportunities to its students, staff and faculty. The Foundation Board is separate from that of the District. The District neither appoints a voting majority nor does it fund or have the obligation to pay debt related to the Foundation. The Foundation solicits donations and acts as a coordinator of gifts made by other parties.

# ALAMO COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 20. RELATED PARTIES (Continued)

The purpose of the Foundation is to support funding initiatives of the District, including remitting proceeds of funding initiatives of the District. The Foundation remitted gifts of \$427,076 and \$1,166,012 to the District during the years ended August 31, 2010 and 2009, respectively. At December 31, 2010 and 2009, the Foundation had no amounts due to the District for restricted funds received during the years then ended which had not been remitted as of December 31, 2010 and 2009. Complete financial statements of the Foundation can be obtained from the administrative office of the Alamo Community College District.

During the fiscal year 2009, the District transferred to the Foundation \$1.5 million of restricted assets to eliminate duplication of effort in the management of endowment funds. The funds maintain their original purpose to provide scholarships or resources for instructional programs.

The majority of the Foundation's operating and fundraising expenses are paid for by the District. No accruals have been made in the Foundation's financial statements to provide for these revenues and expenses for the years ended December 31, 2010 and 2009.

The District has determined that as of August 31, 2010 the Foundation did not meet the criteria to be considered a component unit.

### 21. OTHER OPERATING REVENUES

Other operating revenues (Exhibit 2 and Schedule A) include rental income, paper recycling revenue, Virtual College of Texas provider fees, revenue from various fund raising activities, and other revenues not applicable to any other revenue category.

### 22. COMMITMENTS AND CONTINGENCIES

As of August 31, 2010, 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, 2010, and 2009, the District was committed for approximately \$27 million and \$72 million, respectively.



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## **Supplementary Schedules**



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# ALAMO COMMUNITY COLLEGE DISTRICT

## Schedule A Schedule of Operating Revenues For the Year Ended August 31, 2010 With Memorandum Totals for the Year Ended August 31, 2009

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY10 Total	FY09 Total
<b>OPERATING REVENUES:</b>						
<b>Tuition</b>						
State funded courses						
In district resident tuition	\$ 57,971,306	\$ -	\$ 57,971,306	\$ -	\$ 57,971,306	\$ 48,024,687
Out of district resident tuition	17,538,171	-	17,538,171	-	17,538,171	13,805,969
Non-resident tuition	5,923,241	-	5,923,241	-	5,923,241	4,389,257
TPEG - credit set aside *	3,687,622	-	3,687,622	-	3,687,622	3,577,783
State-funded continuing education	3,110,565	-	3,110,565	-	3,110,565	2,959,141
TPEG - non-credit set aside *	431,675	-	431,675	-	431,675	447,970
Non-state funded continuing education	4,410,759	-	4,410,759	-	4,410,759	2,321,080
<b>Total tuition</b>	<b>93,073,339</b>	<b>-</b>	<b>93,073,339</b>	<b>-</b>	<b>93,073,339</b>	<b>75,525,887</b>
<b>Fees</b>						
General fee	19,318,863	-	19,318,863	-	19,318,863	16,268,839
Other	4,243,658	-	4,243,658	-	4,243,658	3,034,150
<b>Total fees</b>	<b>23,562,521</b>	<b>-</b>	<b>23,562,521</b>	<b>-</b>	<b>23,562,521</b>	<b>19,302,989</b>
<b>Total tuition and fees</b>	<b>116,635,860</b>	<b>-</b>	<b>116,635,860</b>	<b>-</b>	<b>116,635,860</b>	<b>94,828,876</b>
<b>Scholarship allowances and discounts</b>						
Institutional scholarships	(925,103)	-	(925,103)	-	(925,103)	(1,060,097)
Remissions and exemptions - state	(1,130,678)	-	(1,130,678)	-	(1,130,678)	(1,767,540)
Remissions and exemptions - local	(11,208,153)	-	(11,208,153)	-	(11,208,153)	(8,548,635)
Federal grants to students	-	(41,787,852)	(41,787,852)	-	(41,787,852)	(29,685,719)
TPEG awards	-	(1,405,838)	(1,405,838)	-	(1,405,838)	(1,291,992)
State grants to students	-	(1,198,633)	(1,198,633)	-	(1,198,633)	(1,359,939)
Other awards	-	(87,562)	(87,562)	-	(87,562)	-
<b>Total sch allowances and discounts</b>	<b>(13,263,934)</b>	<b>(44,479,885)</b>	<b>(57,743,819)</b>	<b>-</b>	<b>(57,743,819)</b>	<b>(43,713,922)</b>
<b>Total net tuition and fees</b>	<b>103,371,926</b>	<b>(44,479,885)</b>	<b>58,892,041</b>	<b>-</b>	<b>58,892,041</b>	<b>51,114,954</b>
<b>Other operating revenues</b>						
Federal grants and contracts	602,389	20,767,021	21,369,410	-	21,369,410	17,250,163
State grants and contracts	7,536	9,496,263	9,503,799	-	9,503,799	8,097,385
Local grants and contracts	1,125,654	312,734	1,438,388	-	1,438,388	1,007,362
Non-governmental grants and contracts	-	1,656,285	1,656,285	-	1,656,285	2,221,447
Inv/endow inc incl FMV chg (prog restricted)	-	3,937	3,937	-	3,937	19,272
Other operating revenues	1,276,907	5,102	1,282,009	-	1,282,009	2,325,174
<b>Total Other Operating Revenues</b>	<b>3,012,486</b>	<b>32,241,342</b>	<b>35,253,828</b>	<b>-</b>	<b>35,253,828</b>	<b>30,920,803</b>
<b>Sales and services of auxiliary enterprises</b>						
Bookstore commission	-	-	-	2,031,868	2,031,868	1,574,803
Palo Alto College Natatorium	-	-	-	327,393	327,393	593,744
Day care centers	-	-	-	786,531	786,531	768,531
Vending machines/copiers	-	-	-	430,804	430,804	407,487
Parking permits & fines	-	-	-	794,974	794,974	783,234
Other	-	-	-	151,049	151,049	137,497
<b>Total sales and services of auxiliary enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,522,619</b>	<b>4,522,619</b>	<b>4,265,296</b>
<b>Total operating revenues</b>	<b>\$ 106,384,412</b>	<b>\$ (12,238,543)</b>	<b>\$ 94,145,869</b>	<b>\$ 4,522,619</b>	<b>\$ 98,668,488</b>	<b>\$ 86,301,053</b>
				(Exhibit 2)	(Exhibit 2)	

\* In accordance with Education Code 56.033, \$4,119,297 and \$4,025,753 for years August 31, 2010 and 2009, respectively, of tuition was set aside for the Texas Public Education Grant.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule B  
Schedule of Operating Expenses by Object  
For the Year Ended August 31, 2010  
With Memorandum Totals for the Year Ended August 31, 2009**

	Operating Expenses				FY10 Total	FY09 Total
	Salaries and Wages	State Benefits	Local Benefits	Other Expenses		
<b>Unrestricted - educational activities</b>						
Instruction	\$ 98,951,462	\$ -	\$ 11,258,616	\$ 14,024,154	\$ 124,234,232	\$ 112,249,063
Public service	119,264	-	12,767	142,703	274,734	542,789
Academic support	16,365,650	-	1,813,577	5,550,001	23,729,228	22,042,007
Student services	17,885,515	-	2,039,088	5,009,349	24,933,952	23,754,003
Institutional support	27,516,167	-	4,146,048	16,361,475	48,023,690	46,216,135
Operation and maintenance of plant	8,941,350	-	3,069,052	19,829,651	31,840,053	29,798,678
Scholarships and fellowships	-	-	-	789,746	789,746	509,820
<b>Total unrestricted educational activities</b>	<b>169,779,408</b>	<b>-</b>	<b>22,339,148</b>	<b>61,707,079</b>	<b>253,825,635</b>	<b>235,112,495</b>
<b>Restricted - educational activities</b>						
Instruction	3,023,224	12,855,752	381,268	4,591,998	20,852,242	18,545,996
Public service	2,826	15,497	484	6,221	25,028	66,138
Academic support	807,043	2,126,639	153,102	712,902	3,799,686	3,088,917
Student services	4,183,126	2,324,119	575,897	1,613,883	8,697,025	8,257,512
Institutional support	2,350,449	3,578,991	514,587	995,717	7,439,744	8,734,553
Operation and maintenance of plant	-	-	-	6,500	6,500	7,944
Scholarships and fellowships	-	-	-	79,189,630	79,189,630	58,072,652
<b>Total restricted educational activities</b>	<b>10,366,668</b>	<b>20,900,998</b>	<b>1,625,338</b>	<b>87,116,851</b>	<b>120,009,855</b>	<b>96,773,712</b>
<b>Total educational activities</b>	<b>180,146,076</b>	<b>20,900,998</b>	<b>23,964,486</b>	<b>148,823,930</b>	<b>373,835,490</b>	<b>331,886,207</b>
Auxiliary enterprises - unrestricted	1,190,929	-	244,881	208,735	1,644,545	2,449,411
Depreciation expense - buildings	-	-	-	20,374,106	20,374,106	13,193,006
Depreciation expense - equipment	-	-	-	4,175,440	4,175,440	3,850,832
<b>Total operating expenses</b>	<b>\$ 181,337,005</b>	<b>\$ 20,900,998</b>	<b>\$ 24,209,367</b>	<b>\$ 173,582,211</b>	<b>\$ 400,029,581</b>	<b>\$ 351,379,456</b>
					(Exhibit 2)	(Exhibit 2)

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule C  
Schedule of Non-Operating Revenues and Expenses  
For the Year Ended August 31, 2010  
With Memorandum Totals for the Year Ended August 31, 2009**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY10 Total	FY09 Total
<b>NON-OPERATING REVENUES:</b>						
State appropriations						
Education and general state support	\$ 69,233,873	\$ -	\$ 69,233,873	\$ -	\$ 69,233,873	\$ 67,846,696
State group insurance	-	12,322,985	12,322,985	-	12,322,985	12,309,355
State retirement match	-	8,578,013	8,578,013	-	8,578,013	7,790,990
Ad valorem taxes				-		
Taxes for maintenance and operations	89,615,404	-	89,615,404	-	89,615,404	88,412,612
Taxes for debt service	-	43,983,975	43,983,975	-	43,983,975	43,403,022
Federal revenue, non-operating	-	113,380,484	113,380,484	-	113,380,484	82,534,453
Gifts	61,368	34,568	95,936	-	95,936	600,912
Investment income	1,122,955	316,487	1,439,442	-	1,439,442	6,293,122
Total non-operating revenues	<u>160,033,600</u>	<u>178,616,512</u>	<u>338,650,112</u>	<u>-</u>	<u>338,650,112</u>	<u>309,191,162</u>
<b>NON-OPERATING EXPENSES:</b>						
Interest on capital related debt	-	(28,083,833)	(28,083,833)	-	(28,083,833)	(28,841,883)
Loss on disposal of capital assets	-	(662,220)	(662,220)	-	(662,220)	(35,114)
Other non-operating expenses	-	(5,118,516)	(5,118,516)	-	(5,118,516)	(18,540,657)
Total non-operating expenses	<u>-</u>	<u>(33,864,569)</u>	<u>(33,864,569)</u>	<u>-</u>	<u>(33,864,569)</u>	<u>(47,417,654)</u>
Net non-operating revenues	<u>\$ 160,033,600</u>	<u>\$ 144,751,943</u>	<u>\$ 304,785,543</u>	<u>\$ -</u>	<u>\$ 304,785,543</u>	<u>\$ 261,773,508</u>
					(Exhibit 2)	(Exhibit 2)

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule D  
Schedule of Net Assets by Source and Availability  
For the Year Ended August 31, 2010  
With Memorandum Totals for the Year Ended August 31, 2009**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted Expendable	Restricted Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:							
Unrestricted	\$ 60,168,793	\$ -	\$ -	\$ -	\$ 60,168,793	\$ 60,168,793	\$ -
Board-designated	3,488,222	-	-	-	3,488,222	-	3,488,222
Restricted	-	4,844,028	-	-	4,844,028	-	4,844,028
Auxiliary enterprises	3,201,516	-	-	-	3,201,516	3,201,516	-
Loan	179,685	-	-	-	179,685	-	179,685
Endowment:							
Quasi	10,381,865	-	-	-	10,381,865	-	10,381,865
Plant:							
Unexpended	6,127,119	-	-	-	6,127,119	-	6,127,119
Renewals	-	832,032	-	-	832,032	-	832,032
Debt service	-	5,535,991	-	-	5,535,991	-	5,535,991
Investment in plant	-	-	-	182,571,597	182,571,597	-	182,571,597
 Total net assets, August 31, 2010	 \$ 83,547,200	 \$ 11,212,051	 \$ -	 \$ 182,571,597	 \$ 277,330,848 (Exhibit 1)	 \$ 63,370,309	 \$ 213,960,539
 Total net assets, August 31, 2009	 82,032,671	 10,255,752	 -	 181,568,975	 273,857,398 (Exhibit 1)	 16,617,743	 257,239,655
Net increase (decrease) in net assets	\$ 1,514,529	\$ 956,299	\$ -	\$ 1,002,622	\$ 3,473,450 (Exhibit 2)	\$ 46,752,566	\$ (43,279,116)

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b>U.S. Department of Agriculture</b>			
Direct Programs:			
Agricultural Research_Basic and Applied Research	10.001		\$ 10,724
Hispanic Serving Institutions Education Grants	10.223		134,114
Community Food Projects	10.225		<u>60,094</u>
Total U.S. Department of Agriculture			<u>\$ 204,932</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Program:			
Hispanic-Serving Institutions Assisting Communities	14.514		99,460
Pass-Through From:			
City of San Antonio			
Entitlement/Recovery Act	14.253	23-028022	6,500
Total U.S. Department of Housing and Urban Development			<u>\$ 105,960</u>
<b>U.S. Department of Labor</b>			
Direct Program:			
Community Based Job Training Grants	17.269		708
Pass Through From:			
Texas Workforce Commission			
WIA Cluster			
WIA Adult Program	17.258	2008WSW004-1	(591)
WIA Youth Activities	17.259	2010XSW000	8,356
WIA Dislocated Workers	17.260	2009WSW001	1,781
ARRA-WIA Dislocated Workers	17.260	2010XSD000	86,602
Pass Through From:			
Alamo Workforce Development, Inc.			
WIA Cluster			
ARRA-WIA Adult Program	17.258	PS2009007	28,907
ARRA-WIA Dislocated Workers	17.260	PS2009007	<u>22,545</u>
Total Pass-Through-WIA Cluster			147,600
Total U.S. Department of Labor			<u>\$ 148,308</u>
<b>Department of State</b>			
Pass-Through From:			
Georgetown University			
Academic Exchange Programs-English Language Programs	19.421	ACCD-RX2050-866-07-A	3,344
Academic Exchange Programs-English Language Programs	19.421	ACCD-RX2050-899-09-A	<u>15,950</u>
Total U.S. Department of State			<u>\$ 19,294</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b>Department of Transportation</b>			
Direct Program:			
Performance and Registration Information Systems Management	20.231		<u>\$ 82,500</u>
<b>National Aeronautics and Space Administration (NASA)</b>			
Pass-Through From:			
University of Texas-San Antonio Aerospace Education Services Program	43.001		<u>\$ 21,891</u>
<b>National Endowment for the Arts</b>			
Direct Program:			
Promotion of the Arts_Grants to Organizations and Individuals	45.024		15,000
Pass-Through From:			
Art Midwest Inc. Promotion of the Arts_Grants to Organizations & Individuals	45.024		10,000
			<u>\$ 25,000</u>
Total National Endowment for the Arts			
<b>National Science Foundation</b>			
Direct Program:			
Education and Human Resources	47.076		483,976
Pass-Through From:			
Wright State University Engineering Grants	47.041	DUE-0817332	15,616
University of Texas at El Paso Education and Human Resources	47.076	HRD-0217691	13,404
Kentucky Community and Technical College System Education and Human Resources	47.076	KCT-PS-376	<u>18,754</u>
Total Education and Human Resources			32,158
			<u>47,774</u>
Total Pass-Through			
			<u>\$ 531,750</u>
Total National Science Foundation			
<b>Small Business Administration</b>			
Direct Program:			
Economic Injury Disaster Loans	59.002		<u>\$ 13,855</u>



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b>U.S. Department of Education</b>			
Direct Programs:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007		2,877,781
Federal Work-Study Program	84.033		1,575,658
ARRA-Federal Work-Study Program	84.033		330,265
Federal Pell Grant Program	84.063		106,487,964
Academic Competitiveness Grants	84.375		1,924,858
Federal Direct Student Loans	84.268		<u>2,928,906</u>
Total Student Financial Aid Cluster			116,125,432
TRIO Cluster:			
TRIO_Student Support Services	84.042		831,527
TRIO_Upward Bound	84.047		<u>564,294</u>
Total TRIO Cluster			1,395,821
Higher Education_Institutional Aid	84.031		12,460,695
Women's Educational Equity Program	84.083		184,159
Fund for the Improvement of Postsecondary Education	84.116		125,235
Minority Science and Engineering Improvement	84.120		230,532
Child Care Access Means Parents in School	84.335		<u>434,204</u>
Total Direct Programs			130,956,078
Pass-Through From:			
University of Incarnate Word			
Higher Education_Institutional Aid	84.031	P031S040049	40,440
University of Texas Health Science Center San Antonio			
Higher Education_Institutional Aid	84.031	P031S030016	<u>(27,192)</u>
Total Pass-Through--Higher Education_Institutional Aid			13,248
Texas Higher Education Coordinating Board			
Career and Technical Education--Basic Grants to States	84.048	104201	2,282,884
Leveraging Educational Assistance Partnership	84.069	FY 09-10 LEAP	78,878
Leveraging Educational Assistance Partnership	84.069	FY 09-10 SLEAP	<u>105,079</u>
			183,957
Tech-Prep Education	84.243	101701	437,167
Education Research, Development and Dissemination	84.305		5,040
College Access Challenge Grant Program	84.378		32,394
College Access Challenge Grant Program	84.378	1157	<u>83,050</u>
Total College Access Challenge Grant Program			115,444
Services, Recovery Act	84.397	S397A090044	1,187,014
Stephen F. Austin State University			
Fund for the Improvement of Postsecondary Education	84.116	UTA03-100	<u>2,114</u>
Total Pass-Through			4,226,868
Total U.S. Department of Education			<u>\$ 135,182,946</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b>U.S. Department of Health &amp; Human Services</b>			
Direct Program:			
Nursing Workforce Diversity	93.178		139,741
Head Start	93.600		128,399
Health Care and Other Facilities	93.887		<u>251,938</u>
Total Direct			520,078
Pass-Through From:			
University of Texas at Austin			
HIV Prevention Programs For Women	93.015	HPPWHO60012-01-00	35,977
Program	93.230	UTA03-100	<u>6,326</u>
Total Pass-Through			<u>42,303</u>
Total U.S. Department of Health & Human Services			<u>\$ 562,381</u>
<b>Corporation for National and Community Service</b>			
Direct Program:			
Learn and Serve America_Higher Education	94.005		<u>\$ 17,828</u>
<b>U.S. Agency for International Development</b>			
Pass-through From:			
Georgetown University			
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-09-I-1	218,955
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-10-A-1	58,622
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-852-10-A-1	371,676
USAID Foreign Assistance for Programs Overseas	98.001	ACCDXR2050-908-09-D	14,173
USAID Foreign Assistance for Programs Overseas	98.001	ACCDXR2050-852-08-K-1-2	80,742
USAID Foreign Assistance for Programs Overseas	98.001	AEG-A-00-05-0007-00	9,680
USAID Foreign Assistance for Programs Overseas	98.001		8,307
Total U.S. Agency for International Development			<u>\$ 762,155</u>
Total Federal Expenditures			<u>\$ 137,678,800</u>

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2010**

**1. Federal Assistance Reconciliation**

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 21,369,410
Add: Non-Operating Revenues - federal revenue, non-operating - per Schedule C	<u>113,380,484</u>
Total Federal Revenues per Schedule A and C	<u>\$ 134,749,894</u>

Reconciling Item:

Add: Federal Direct Student Loans	<u>2,928,906</u>
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Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 137,678,800</u>
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**2. Significant accounting policies used in preparing the schedule**

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

**3. Expenditures not subject to federal single audit**

None

**4. Student Loans Processed and Administrative Costs Recovered - not included in schedule**

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education 84.032 Federal Family Education Loans	\$ 27,976,466	\$ -	\$ 27,976,466

**5. Amounts passed-through by Alamo Community College District**

The following amounts were passed-through to the listed subrecipients by the District. These amounts were from the Tech Prep Education Program CFDA 84.243 from the U.S. Department of Education through the Texas Higher Education

East Central Independent School District	\$ 190
Floresville Independent School District	3,000
Judson Independent School District	249
North East Independent School District	4,812
Pleasanton Independent School District	130
Seguin Independent School District	<u>177</u>
Total	<u>\$ 8,558</u>

The following amounts were passed-through to the listed subrecipients by the District. These amounts were from the Higher Education-Institutional Aid Program CFDA 84.031C direct from the U.S. Department of Education.

Texas State University	<u>\$ 30,000</u>
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**6. Noncash Awards**

There were no federal noncash awards received in fiscal year 2010.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2010**

<b>Grantor Agency/Program Title</b>	<b>Grant Contract Number</b>	<b>Expenditures</b>
<b>Texas Higher Education Coordinating Board</b>		
Texas Grant Renewal	2008-2009	\$ 1,698
Texas Grant Initial	2009-2010	3,114,840
Texas Grant Initial	2010-2011	267,000
Texas Grant Renewal	2009-2010	1,650,260
Texas Grant Renewal	2010-2011	<u>342,868</u>
Total Texas Grant Initial and Renewal		\$ 5,376,666
TEOG Initial	2009-2010	1,055,365
TEOG Initial	2010-2011	21,360
TEOG Renewal	2009-2010	280,653
TEOG Renewal	2010-2011	<u>11,570</u>
Total TEOG Initial and Renewal		\$ 1,368,948
P-16 College Readiness Program	329	97
Professional Nurse Program	SAC	178,029
Summer Bridge and Transition Program Category A	SAC	17,593
Summer Bridge and Transition Program Category B	SAC	3,000
Summer Bridge and Transition Program Category C	SAC	27,386
Professional Nursing Scholarship	SAC	6,048
Professional Nursing Scholarship	SAC	16,541
Pathways Regional Coordinator Program	DIS	8,597
Pathways Projects	DIS	37,662
Pathways Projects	DIS	17,578
THEA Assesment Program	SAC	15,900
Intensive Summer Program - C	1421-01	9,954
Vocational Nursing Scholarship Program	SPC	2,245
Community College Developmental Education Initiative Program	DIS	45,246
Work-Study Student Mentorship Program	2488	30,889
Professional Nursing Shortage Reduction Program - Under 70	SPC	168,352
Total of Texas Higher Education Coordinating Board		<u>\$ 7,330,731</u>
<b>Texas Workforce Commission</b>		
Skills Development Funding	2008SDF000	122,702
Skills Development Funding	2008SDF002	1,702,936
Skills Development Funding	2010SDF000	<u>282,780</u>
Total Skills Development Funds		\$ 2,108,418
Apprenticeship	2010ATP000	6,597
Lancer Partnership LTD, Lucifer Lighting, General Dynamics	2010XSD000	54,284
Total of Texas Workforce Commission		<u>\$ 2,169,299</u>
<b>Comptroller of Public Accounts</b>		
JET Launchpad	CMD10-4777-1CH	1,620
(JET) Jobs and Education for Texans	3595-13	<u>2,149</u>
Total of Comptroller of Public Accounts		\$ 3,769
Total State Financial Assistance		<u><u>\$ 9,503,799</u></u>

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Notes to Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2010**

**1. State Assistance Reconciliation**

State Revenues

State Financial Assistance

Per Schedule of Expenditures of State Awards

\$ 9,503,799

State Financial Assistance

Per Schedule A - State Grants and Contracts Revenues

\$ 9,503,799

**2. Significant Accounting Policies Used in Preparing the Schedule**

The accompanying schedule is presented using the accrual basis. See Notes to the financial statements for the Alamo Community College District Significant accounting policies. These expenditures are reported on the Alamo Community College District fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

**3. Noncash Awards**

There were no state noncash awards received in fiscal year 2010.



ALAMO  
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## **Statistical Section**



ALAMO  
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# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Section Introduction

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

### Contents

#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

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

#### Demographic and Economic Information

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

#### Operating Information

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



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**ALAMO COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 1  
Net Assets by Component  
Fiscal Years 2002 to 2010  
(Unaudited)  
(dollars in thousands)**

	For the Fiscal Years Ended August 31,								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$182,572	\$ 181,568	\$ 172,395	\$ 155,641	\$ 124,927	\$119,012	\$135,668	\$115,217	\$ 111,326
Restricted - nonexpendable	-	-	1,299	1,298	1,298	1,277	1,270	1,308	10,193
Restricted - expendable	11,212	10,256	13,185	7,050	8,466	6,970	6,209	10,296	1,170
Unrestricted	83,547	82,033	91,556	82,283	66,114	58,647	45,309	50,507	49,817
<b>Total</b>	<b>\$277,331</b>	<b>\$ 273,857</b>	<b>\$ 278,435</b>	<b>\$ 246,272</b>	<b>\$ 200,805</b>	<b>\$185,906</b>	<b>\$188,456</b>	<b>\$177,328</b>	<b>\$ 172,506</b>
Net assets beginning of the year	273,857	278,435	246,272	200,805	185,906	188,456	177,328	172,506	166,262
Increase (Decrease) in net assets	\$ 3,474	\$ (4,578)	\$ 32,163	\$ 45,467	\$ 14,899	\$ (2,550)	\$ 11,128	\$ 4,822	\$ 6,244

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are available.

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 2 Revenues by Source Fiscal Years 2002 to 2010 (Unaudited) (dollars in thousands)

	For the Years Ended August 31,																	
	2010		2009		2008		2007		2006		2005		2004		2003		2002	
Tuition and fees (net of discounts)	\$ 58,892	13.5%	\$ 51,115	12.9%	\$ 52,797	14.2%	\$ 49,198	14.4%	\$ 45,344	15.6%	\$ 43,235	15.8%	\$ 37,483	14.5%	\$ 31,581	13.3%	\$ 29,298	13.1%
Governmental grants and contracts																		
Federal grants and contracts	21,369	4.9%	17,250	4.4%	14,206	3.8%	14,032	4.1%	13,514	4.7%	13,603	5.0%	14,270	5.5%	11,464	4.8%	11,267	5.0%
State grants and contracts	9,504	2.2%	8,097	2.0%	7,196	1.9%	5,920	1.7%	6,375	2.2%	7,335	2.7%	2,784	1.1%	4,398	1.9%	4,156	1.9%
Local grants and contracts	1,438	0.3%	1,007	0.2%	1,117	0.3%	897	0.3%	663	0.2%	613	0.2%	518	0.2%	761	0.4%	496	0.2%
Non-governmental grants and contracts	1,656	0.4%	2,221	0.6%	483	0.1%	787	0.2%	636	0.2%	629	0.2%	297	0.1%	119	0.0%	467	0.2%
Investment income	4	0.0%	19	0.0%	158	0.0%	184	0.1%	159	0.1%	119	0.0%	91	0.0%	93	0.0%	102	0.0%
Auxiliary enterprises	4,523	1.0%	4,265	1.1%	4,236	1.1%	3,754	1.1%	3,622	1.2%	3,750	1.4%	3,306	1.3%	2,654	1.2%	2,327	1.0%
Other operating revenue	1,282	0.3%	2,325	0.6%	2,496	0.7%	2,167	0.7%	2,050	0.7%	1,683	0.6%	1,210	0.5%	1,162	0.5%	1,477	0.7%
<b>Total operating revenues</b>	<b>98,668</b>	<b>22.6%</b>	<b>86,299</b>	<b>21.8%</b>	<b>82,689</b>	<b>22.1%</b>	<b>76,939</b>	<b>22.6%</b>	<b>72,363</b>	<b>24.9%</b>	<b>70,967</b>	<b>25.9%</b>	<b>59,959</b>	<b>23.2%</b>	<b>52,232</b>	<b>22.1%</b>	<b>49,590</b>	<b>22.1%</b>
State appropriation	90,135	20.6%	87,947	22.2%	87,318	23.4%	83,500	24.5%	82,245	28.4%	72,740	26.6%	72,230	28.0%	72,719	30.5%	75,600	33.7%
Ad valorem taxes	133,599	30.6%	131,818	33.3%	118,441	31.8%	103,780	30.4%	72,886	25.1%	67,507	24.7%	63,909	24.8%	59,350	24.9%	54,453	24.3%
Federal revenue, non-operating	113,380	25.9%	82,534	20.9%	62,542	16.7%	56,703	16.6%	55,548	19.2%	58,290	21.3%	57,811	22.4%	49,402	20.7%	40,512	18.1%
Gifts	96	0.0%	601	0.2%	141	0.0%	581	0.2%	549	0.2%	651	0.2%	1,382	0.5%	925	0.4%	726	0.3%
Investment income	1,441	0.3%	6,293	1.6%	22,533	6.0%	19,613	5.7%	6,520	2.2%	3,558	1.3%	2,836	1.1%	2,707	1.1%	583	0.3%
Other non-operating revenues	-	0.0%	-	0.0%	-	0.0%	48	0.0%	4	0.0%	50	0.0%	50	0.0%	761	0.3%	2,634	1.2%
<b>Total non-operating revenues</b>	<b>338,651</b>	<b>77.4%</b>	<b>309,193</b>	<b>78.2%</b>	<b>290,975</b>	<b>77.9%</b>	<b>264,225</b>	<b>77.4%</b>	<b>217,752</b>	<b>75.1%</b>	<b>202,796</b>	<b>74.1%</b>	<b>198,218</b>	<b>76.8%</b>	<b>185,864</b>	<b>77.9%</b>	<b>174,508</b>	<b>77.9%</b>
<b>Total revenues</b>	<b>\$437,319</b>	<b>100.0%</b>	<b>\$395,492</b>	<b>100.0%</b>	<b>\$373,664</b>	<b>100.0%</b>	<b>\$341,164</b>	<b>100.0%</b>	<b>\$290,115</b>	<b>100.0%</b>	<b>\$273,763</b>	<b>100.0%</b>	<b>\$258,177</b>	<b>100.0%</b>	<b>\$238,096</b>	<b>100.0%</b>	<b>\$224,098</b>	<b>100.0%</b>

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are available.

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 3 Program Expenses by Function Fiscal Years 2002 to 2010 (Unaudited) (dollars in thousands)

		For the Year Ended August 31,																	
		2010		2009		2008		2007		2006		2005		2004		2003		2002	
Instruction		\$ 145,086	33.4%	\$ 130,794	32.8%	\$ 122,966	36.0%	\$ 116,588	39.4%	\$ 113,581	41.4%	\$ 110,408	41.9%	\$ 100,607	40.7%	\$ 96,872	41.4%	\$ 95,018	43.6%
Public service		300	0.1%	609	0.2%	591	0.2%	891	0.3%	1,129	0.4%	2,178	0.8%	3,411	1.4%	3,623	1.5%	3,673	1.7%
Academic support		27,529	6.3%	25,131	6.3%	21,931	6.4%	19,693	6.7%	18,315	6.7%	22,105	8.4%	19,163	7.8%	18,403	7.9%	17,669	8.1%
Student services		33,631	7.8%	32,012	8.0%	31,937	9.3%	30,326	10.2%	27,498	10.0%	24,108	9.1%	24,033	9.7%	22,385	9.6%	21,015	9.6%
Institutional support		55,463	12.8%	54,951	13.8%	46,671	13.7%	40,131	13.6%	39,034	14.2%	33,692	12.8%	28,239	11.4%	25,979	11.1%	24,682	11.3%
Operating and maintenance of plant		31,847	7.3%	29,807	7.5%	20,381	6.0%	19,485	6.5%	18,986	6.9%	17,910	6.8%	18,109	7.3%	17,070	7.3%	17,234	7.9%
Scholarships and fellowships		79,979	18.4%	58,582	14.7%	43,887	12.8%	37,913	12.8%	37,593	13.7%	36,688	13.9%	39,439	16.0%	35,726	15.3%	29,450	13.5%
Auxiliary enterprises		1,645	0.4%	2,449	0.6%	2,312	0.7%	2,161	0.7%	1,863	0.7%	1,978	0.8%	1,834	0.7%	1,687	0.7%	1,742	0.8%
Depreciation		24,550	5.7%	16,912	4.2%	11,072	3.2%	10,601	3.6%	9,779	3.6%	8,827	3.3%	7,073	2.9%	7,026	3.0%	6,712	3.1%
<b>Total operating expenses</b>		<b>400,030</b>	<b>92.2%</b>	<b>351,247</b>	<b>88.1%</b>	<b>301,748</b>	<b>88.3%</b>	<b>277,789</b>	<b>93.8%</b>	<b>267,778</b>	<b>97.6%</b>	<b>257,894</b>	<b>97.8%</b>	<b>241,908</b>	<b>97.9%</b>	<b>228,771</b>	<b>97.8%</b>	<b>217,195</b>	<b>99.7%</b>
Interest on capital related debt		28,084	6.4%	28,842	7.2%	29,551	8.6%	14,993	5.1%	6,656	2.4%	4,686	1.8%	4,308	1.8%	4,410	1.9%	330	0.2%
Other non-operating expenses		5,118	1.2%	18,541	4.7%	10,333	3.0%	2,773	0.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	330	0.2%
Loss on disposal of fixed assets		662	0.2%	35	0.0%	419	0.1%	499	0.2%	66	0.0%	1,143	0.4%	834	0.3%	787	0.3%	-	0.0%
<b>Total non-operating expenses</b>		<b>33,864</b>	<b>7.8%</b>	<b>47,418</b>	<b>11.9%</b>	<b>40,303</b>	<b>11.7%</b>	<b>18,265</b>	<b>6.2%</b>	<b>6,722</b>	<b>2.4%</b>	<b>5,829</b>	<b>2.2%</b>	<b>5,142</b>	<b>2.1%</b>	<b>5,197</b>	<b>2.2%</b>	<b>660</b>	<b>0.3%</b>
<b>Total expenses</b>		<b>\$ 433,894</b>	<b>100.0%</b>	<b>\$ 398,665</b>	<b>100.0%</b>	<b>\$ 342,051</b>	<b>100.0%</b>	<b>\$ 296,054</b>	<b>99.9%</b>	<b>\$ 274,500</b>	<b>100.0%</b>	<b>\$ 263,723</b>	<b>100.0%</b>	<b>\$ 247,050</b>	<b>100.0%</b>	<b>\$ 233,968</b>	<b>100.0%</b>	<b>\$ 217,855</b>	<b>100.0%</b>

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are available.

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

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

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	Student Activity Fees	General Fee	Library Fee (per student)	Lab Fee	Student Insurance	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
Fall 2009	\$ -	\$ 53.50	\$ 103.50	\$ 12.00	\$ 127.00	\$ -	\$ -	\$ -	\$ 781.00	\$ 1,381.00	4.83%	8.48%
Fall 2008	-	51.00	95.00	12.00	121.00	-	-	-	745.00	1,273.00	4.20%	2.41%
Fall 2007	13.00	44.00	88.00	12.00	121.00	13.00	24.00	4.00	715.00	1,243.00	4.69%	4.72%
Fall 2006	12.00	42.00	84.00	12.00	115.00	12.00	24.00	4.00	683.00	1,187.00	6.72%	5.98%
Fall 2005	11.00	40.00	80.00	-	110.00	11.00	24.00	4.00	640.00	1,120.00	5.09%	5.16%
Fall 2004	10.00	38.00	76.00	-	105.00	10.00	24.00	4.00	609.00	1,065.00	10.13%	9.46%
Fall 2003	10.00	35.00	70.00	-	85.00	10.00	24.00	4.00	553.00	973.00	12.17%	21.78%
Fall 2002	10.00	30.00	55.50	-	85.00	10.00	24.00	4.00	493.00	799.00	0.00%	0.00%
Fall 2001	10.00	30.00	55.50	-	85.00	10.00	24.00	4.00	493.00	799.00	14.39%	14.96%
Fall 2000	10.00	26.50	48.50	-	65.00	10.00	24.00	4.00	431.00	695.00		

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

Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out-of-State & International	Student Activity Fees	General Fee	Library Fee (per student)	Lab Fee	Student Insurance	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2009	\$ -	\$ 291.67	\$ 12.00	\$ 127.00	\$ -	\$ -	\$ -	\$ 3,639.00	56.25%
Fall 2008	-	183.00	12.00	121.00	-	-	-	2,329.00	-1.36%
Fall 2007	13.00	176.00	12.00	121.00	13.00	24.00	66.00	2,361.00	4.61%
Fall 2006	12.00	168.00	12.00	115.00	12.00	24.00	66.00	2,257.00	5.37%
Fall 2005	11.00	160.00	-	110.00	11.00	24.00	66.00	2,142.00	5.31%
Fall 2004	10.00	152.00	-	105.00	10.00	24.00	61.00	2,034.00	8.77%
Fall 2003	10.00	140.00	-	85.00	10.00	24.00	61.00	1,870.00	25.34%
Fall 2002	10.00	108.50	-	85.00	10.00	24.00	61.00	1,492.00	0.00%
Fall 2001	10.00	108.50	-	85.00	10.00	24.00	61.00	1,492.00	15.57%
Fall 2000	10.00	94.50	-	65.00	10.00	24.00	48.00	1,291.00	

Beginning with the Fall of 2008, ONLY tuition, general fee and student activity fee are charged.  
Lab fees ranged from \$2.00 to \$24.00 until Fall 2008

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations	Debt Service	Total
2009-10	\$110,746,665,402	\$9,570,660,304	\$101,176,005,098	91.36%	\$0.09110	\$0.04475	\$0.13585
2008-09	108,515,755,336	8,679,501,416	99,836,253,920	92.00%	0.09110	0.04475	0.13585
2007-08	97,076,127,829	7,007,075,783	90,069,052,046	92.78%	0.08980	0.04475	0.13455
2006-07	82,475,118,571	5,436,124,534	77,038,994,037	93.41%	0.09230	0.04475	0.13705
2005-06	71,820,993,201	4,472,598,640	67,348,394,561	93.77%	0.09230	0.01475	0.10705
2004-05	65,421,529,792	3,100,303,029	62,321,226,763	95.26%	0.09230	0.01475	0.10705
2003-04	62,268,015,195	3,136,421,298	59,131,593,897	94.96%	0.09230	0.01475	0.10705
2002-03	57,333,889,663	2,666,692,078	54,667,197,585	95.35%	0.09230	0.01480	0.10710
2001-02	54,534,023,818	2,867,260,267	51,666,763,551	94.74%	0.08980	0.01480	0.10460
2000-01	49,964,421,224	2,693,929,881	47,270,491,343	94.61%	0.08980	0.01710	0.10690

Source: Bexar County Appraisal District

Note: Valuations shown as verified taxable assets values reported by the Bexar County Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours (b)	State Appropriation per Contact Hours
2009-10	\$ 69,233,873	41,752	\$ 1,658	18,845,612	4,195,048	23,040,660	\$ 3.00
2008-09	67,846,696	36,892	1,839	16,578,880	3,699,074	20,277,954	3.35
2007-08	67,846,696	34,756	1,985	15,499,262	3,689,690	19,188,952	3.54
2006-07	65,409,379	33,428	1,957	15,057,632	3,870,207	18,927,839	3.46
2005-06	65,746,811	33,249	1,977	14,771,648	3,997,840	18,769,488	3.50
2004-05	58,069,378	33,173	1,751	15,035,056	4,231,936	19,266,992	3.01
2003-04	58,070,337	32,889	1,766	14,986,560	4,093,900	19,080,460	3.04
2002-03	55,994,039	32,282	1,735	14,228,315	3,937,977	18,166,292	3.08
2001-02	60,208,645	29,536	2,038	12,898,748	3,739,488	16,638,236	3.62
2000-01	55,580,355	26,817	2,073	11,605,418	3,499,396	15,104,814	3.68

**Notes:**

FTSE (Full-time Student Equivalent) is defined as semester credit hours divided by 30 plus non-semester (continuing education) credit hours divided by 900.

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

(a) Source CBM001

(b) Source CBM00C



# ALAMO COMMUNITY COLLEGE DISTRICT

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

Tax Payer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2010	2009	2008	2007	2006*	2005	2004*	2003	2002*	2001
HEB Grocery Company LP	Groceries	\$ 957,372	\$ 915,618	\$ 860,947	\$ 835,417	\$ 734,917	\$ 684,385	\$ 649,249	\$ 610,809	\$ 542,267	\$ 531,549
Toyota Motor Mfg Texas Inc.	Automotive Manufacturer	447,437	541,478	-	636,047	182,767	-	-	-	-	-
VHS San Antonio Prtners LP (Baptist)	Healthcare	375,935	375,477	390,814	295,830	251,811	184,637	173,023	-	-	-
Methodist Healthcare Systems SA	Healthcare	455,263	451,594	470,840	239,580	220,975	209,712	194,114	168,580	169,340	184,039
AT&T	Tele\communications	423,199	408,853	496,917	546,653	568,534	524,283	515,151	631,726	489,195	519,842
USAA	Insurance	336,394	343,721	346,117	338,676	334,521	307,044	319,746	331,742	364,350	412,154
Frost National Bank	Financial	-	209,948	186,581	-	174,828	165,252	154,656	-	93,884	-
Marriott Hotel Properties	Hospitality	-	171,581	188,615	-	-	-	125,113	127,537	112,930	106,781
Microsoft Corporation	Technology	334,968	-	-	-	-	-	-	-	-	-
SA Real Estate LLP	Real Estate	266,758	-	-	-	-	-	-	-	-	-
La Cantera Retail LTD Partnership	Retail	238,190	263,640	-	-	-	-	-	-	-	-
Frankel Family Trust	Commercial Real Estate	-	199,812	194,134	-	-	-	-	-	-	-
Wal-Mart Stores, Inc.	Retail	-	-	371,620	355,246	340,767	327,050	301,334	219,386	213,750	117,631
VLSI Technologies, Inc. (Phillips)	Manufacturer	-	-	-	-	-	-	-	37,420	-	118,837
Time Warner Cable San Antonio LP	Cable Company	-	-	-	185,569	178,019	177,002	162,962	151,811	118,554	115,509
Alamo Stonecrest Holdings	Retail	-	-	-	-	-	144,910	-	-	-	-
Inland Western San Antonio Academy	Retail	-	-	-	-	-	143,372	-	-	-	-
Melvin Simon Properties	Real Estate	-	-	-	-	-	-	140,294	117,245	111,174	118,397
North Star Mall, Inc.	Retail	-	-	-	-	-	-	109,891	108,919	106,793	-
New River Center Mall LP	Retail	-	-	-	209,062	178,977	-	-	-	-	-
MBS-Colonnade Ltd	Real Estate	-	-	215,664	223,505	-	-	-	-	-	-
		\$ 4,219,687	\$ 3,881,722	\$ 3,722,249	\$ 3,865,585	\$ 3,166,116	\$ 2,867,647	\$ 2,735,642	\$ 2,506,147	\$ 2,324,363	\$ 2,331,532
Total Taxable Assessed Value		\$ 100,688,758	\$ 99,836,254	\$ 90,069,052	\$ 77,038,994	\$ 67,348,395	\$ 62,321,227	\$ 59,131,594	\$ 54,667,198	\$ 51,666,764	\$ 47,270,491

Tax Payer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
HEB Grocery Company LP	Groceries	0.95%	0.92%	0.96%	1.08%	1.09%	1.10%	1.10%	1.12%	1.05%	1.12%
Toyota Motor Mfg Texas Inc.	Automotive Manufacturer	0.44%	0.54%	0.00%	0.83%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
VHS San Antonio Prtners LP (Baptist)	Healthcare	0.37%	0.38%	0.43%	0.38%	0.37%	0.30%	0.29%	0.00%	0.00%	0.00%
Methodist Healthcare Systems SA	Healthcare	0.45%	0.45%	0.52%	0.31%	0.33%	0.34%	0.33%	0.31%	0.33%	0.39%
AT&T	Telecommunications	0.42%	0.41%	0.55%	0.71%	0.84%	0.84%	0.87%	1.16%	0.95%	1.10%
USAA	Insurance	0.33%	0.34%	0.38%	0.44%	0.50%	0.49%	0.54%	0.61%	0.71%	0.87%
Frost National Bank	Financial	0.00%	0.21%	0.21%	0.00%	0.26%	0.27%	0.26%	0.00%	0.18%	0.00%
Marriott Hotel Properties	Hospitality	0.00%	0.17%	0.21%	0.00%	0.00%	0.00%	0.21%	0.23%	0.22%	0.23%
Microsoft Corporation	Technology	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLP	Real Estate	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
La Cantera Retail LTD Partnership	Retail	0.24%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Frankel Family Trust	Commercial Real Estate	0.00%	0.20%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Stores, Inc.	Retail	0.38%	0.00%	0.41%	0.46%	0.51%	0.52%	0.51%	0.40%	0.41%	0.25%
VLSI Technologies, Inc. (Phillips)	Manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.25%
(Paragon)	Cable Company	0.00%	0.00%	0.00%	0.24%	0.26%	0.28%	0.28%	0.28%	0.23%	0.24%
Alamo Stonecrest Holdings	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%
LP	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%
Melvin Simon Properties	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.21%	0.22%	0.25%
North Star Mall, Inc.	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.21%	0.23%
New River Center Mall LP	Retail	0.00%	0.00%	0.00%	0.27%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
MBS-Colonnade Ltd	Real Estate	0.00%	0.00%	0.24%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total		4.17%	3.89%	4.13%	5.02%	4.70%	4.60%	4.63%	4.58%	4.50%	4.93%

Source: Bexar County Appraisal District.

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended Aug 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections		Prior Collections of Prior Levies (d)	Current Year Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
				Year of Levy (c)	% (c / b)				
2010	\$ 134,340,094	\$ (597,442)	\$ 133,742,652	\$ 130,767,468	97.78%	\$ -	\$ -	\$ 130,767,468	97.78%
2009	132,171,475	(1,286,020)	130,885,455	128,946,515	98.52%	-	882,534	129,829,049	99.19%
2008	117,688,619	(457,692)	117,230,927	115,629,413	98.63%	936,906	116,064	116,682,383	99.53%
2007	102,947,673	(460,464)	102,487,209	101,029,924	98.58%	1,025,108	71,234	102,126,266	99.65%
2006	72,091,494	(278,909)	71,812,585	70,608,797	98.32%	917,433	49,291	71,575,521	99.67%
2005	66,714,921	(382,495)	66,332,426	65,139,162	98.20%	947,265	39,148	66,125,575	99.69%
2004	63,298,631	(165,833)	63,132,798	61,773,444	97.85%	1,142,617	25,323	62,941,384	99.70%
2003	58,548,368	(243,070)	58,305,298	57,047,655	97.84%	1,077,387	11,094	58,136,136	99.71%
2002	54,049,957	(400,712)	53,649,245	52,631,196	98.10%	865,254	6,492	53,502,942	99.73%
2001	50,531,025	(292,737)	50,238,288	49,338,453	98.21%	751,935	3,634	50,094,022	99.71%

a) As reported in notes to the financial statements for the year of the levy

b) As of August 31st of the current reporting year

c) Property tax only - does not include penalties and interest as reported in notes to the financial statement

d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy

e) Represents current year collections of prior years levies

# ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Bonded Debt</b>										
General obligation bonds	\$411,719	\$419,299	\$430,393	\$435,819	\$ 75,154	\$ 19,604	\$ 24,696	\$ 31,756	\$ 38,861	\$ 44,643
Tax notes	108,025	106,155	116,010	39,410	40,320	5,695	8,155	-	-	-
Less: Funds restricted for debt service	4,633	3,016	3,420	2,297	1,626	2,532	2,015	1,454	1,455	1,799
Net general bonded debt	<u>\$515,111</u>	<u>\$522,438</u>	<u>\$542,983</u>	<u>\$472,932</u>	<u>\$113,848</u>	<u>\$ 22,767</u>	<u>\$ 30,836</u>	<u>\$ 30,302</u>	<u>\$ 37,406</u>	<u>\$ 42,844</u>
<b>Other Debt</b>										
Revenue bonds	\$ 69,495	\$ 72,900	\$ 76,180	\$ 74,270	\$ 67,645	\$ 67,625	\$ 69,730	\$ 62,017	\$ 63,270	\$ 32,615
Notes payable	-	207	690	1,145	1,605	2,036	2,451	2,850	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	160	311
Total outstanding debt	<u>\$584,606</u>	<u>\$595,545</u>	<u>\$619,853</u>	<u>\$548,347</u>	<u>\$183,098</u>	<u>\$ 92,428</u>	<u>\$103,017</u>	<u>\$ 95,169</u>	<u>\$100,836</u>	<u>\$ 75,770</u>
<b>General Bonded Debt Ratios</b>										
Per capita	\$ 311.91	\$ 321.92	\$ 340.54	\$ 308.55	\$ 76.45	\$ 15.45	\$ 21.15	\$ 21.02	\$ 26.24	\$ 30.40
Per FTSE	12,337	14,161	15,813	14,148	3,515	686	934	962	1,299	1,640
As a percentage of taxable assessed value	0.51%	0.52%	0.60%	0.61%	0.17%	0.04%	0.05%	0.06%	0.07%	0.09%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 354.00	\$ 366.96	\$ 388.75	\$ 357.76	\$ 122.95	\$ 62.72	\$ 70.66	\$ 66.01	\$ 70.73	\$ 53.77
Per FTSE	\$ 14,002	\$ 16,143	\$ 18,052	\$ 16,404	\$ 5,653	\$ 2,783	\$ 3,120	\$ 3,020	\$ 3,502	\$ 2,901
As a percentage of taxable assessed value	0.58%	0.60%	0.69%	0.71%	0.27%	0.15%	0.17%	0.17%	0.20%	0.16%

Notes:

FTSE (Full-time Student Equivalent) is defined as semester credit hours divided by 30 plus non-semester (continuing education) credit hours divided by 900.

Ratios are calculated using populations and taxable assessed value (TAV) from current year.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

#### GENERAL OBLIGATION BONDS

For the Years Ended August 31	Net Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Service Requirements	Excess of Statutory Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Statutory Limit	Statutory Tax Limit	Statutory Tax Limit: Maintenance and Operation	Statutory Tax Limit: Debt Service
2010	\$ 101,176,005	\$ 16,076,867	\$ 4,633	\$ 16,072,234	\$ 27,205	\$ 16,045,029	0.14%	\$ 0.25000	\$ 0.09110	\$ 0.15890
2009	99,836,254	15,863,981	3,016	15,860,965	31,170	15,829,795	0.18%	0.25000	0.09110	0.15890
2008	90,069,052	14,429,062	3,420	14,425,642	31,171	14,394,471	0.19%	0.25000	0.08980	0.16020
2007	77,038,994	12,149,049	2,297	12,146,752	29,979	12,116,773	0.23%	0.25000	0.09230	0.15770
2006	67,348,395	10,620,842	1,626	10,619,216	5,847	10,613,369	0.04%	0.25000	0.09230	0.15770
2005	62,321,227	9,828,057	2,532	9,825,525	6,220	9,819,305	0.04%	0.25000	0.09230	0.15770
2004	59,131,594	9,325,052	2,015	9,323,037	8,328	9,314,709	0.07%	0.25000	0.09230	0.15770
2003	54,667,198	8,621,017	1,454	8,619,563	8,311	8,611,252	0.08%	0.25000	0.09230	0.15770
2002	51,666,764	8,277,016	1,455	8,275,561	12,208	8,263,353	0.13%	0.25000	0.08980	0.16020
2001	47,270,491	7,572,733	1,799	7,570,934	12,368	7,558,566	0.14%	0.25000	0.08980	0.16020

Note: By local referendum held on September 30, 1952, the District is limited to a total tax rate not to exceed \$0.25 maintenance and operation and debt per \$100 taxable assessed valuation for services purposes. This tax rate is lower than the \$1.00 per \$100 taxable valuation limit 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.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

#### REVENUE BONDS

Fiscal Year		Pledged Revenues					Debt Service Requirements			
Ended		General	Investment	Auxiliary					Coverage	
August 31	Tuition	Fee	Income	Income	Total	Principal	Interest	Total	Ratio	
2010	\$18,407 (1)	\$ 19,319	\$ 1,634	\$ 4,053	\$ 43,413	\$ 3,405	\$ 3,255	\$ 6,660	6.52	
2009	14,294 (1)	16,269	1,045	3,548	35,156	3,280	3,388	6,668	5.27	
2008	14,315 (1)	15,209	4,272	3,501	37,298	3,240	3,434	6,674	5.59	
2007	12,783 (1)	14,038	5,034	3,232	35,087	2,650	2,981	5,631	6.23	
2006	11,790 (1)	13,038	3,194	2,826	30,849	2,415	3,216	5,631	5.48	
2005	11,532 (1)	12,973	2,023	2,806	29,334	2,105	3,150	5,255	5.58	
2004	10,482 (1)	10,283	1,100	2,411	24,275	1,000	2,828	3,828	6.34	
2003	9,419 (1)	9,756	1,320	2,023	22,518	1,253	3,668	4,921	4.58	
2002	1,492 (2)	8,937	2,131	1,729	14,289	704	3,895	4,599	3.11	
2001	1,386 (2)	7,280	3,247	1,565	13,478	2,760	2,513	5,273	2.56	

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

(2) \$15.00 per semester headcount, \$7.50 per summer semester.

## 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 (in thousands)	District Personal Income Per Capita	District Unemployment Rate
2009	1,637,696	\$ 58,029,073 (*)	\$ 36,017 (*)	6.80%
2008	1,622,899	55,410,480	34,943	4.70%
2007	1,590,146	54,324,000	34,163	4.20%
2006	1,551,362	51,588,829	33,172	4.70%
2005	1,512,654	46,775,585	30,843	5.10%
2004	1,448,264	43,888,472	29,435	5.80%
2003	1,462,550	41,382,567	28,253	6.20%
2002	1,440,092	39,571,644	27,453	5.80%
2001	1,414,634	39,085,591	27,612	4.70%
2000	1,392,931	38,189,928	27,321	4.10%

Source: Texas Workforce Commission, LMI Tracer, Data Link as of 6/28/10, Texas State Data Center.

(\*) Data are estimates; updated data from Texas Workforce Commission have not been published.

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 13 Principal Employers (Unaudited)

Employer	2010 (1)		2009 (2)		2008 (3)		2007 (4)		2006 (5)	
	Number of Employees	% of Total	Number of Employees	% of Total	Number of Employees	% of Total	Number of Employees	% of Total	Number of Employees	% of Total
Fort Sam Houston	30,793	3.40%	30,793	3.10%	15,200	1.80%	11,735	1.40%	26,100	3.40%
Lackland AFB	28,100	3.10%	28,100	2.80%	33,893	4.00%	23,227	2.80%	35,700	4.60%
USAA	14,852	1.60%	14,852	1.50%	14,852	1.70%	14,258	1.70%	14,955	1.90%
HEB Food Stores	14,588	1.60%	14,588	1.50%	14,588	1.70%	14,588	1.80%	14,600	1.90%
Northside ISD	12,597	1.40%	12,597	1.30%	12,810	1.50%	12,701	1.50%	10,000	1.30%
Randolph AFB	10,700	1.20%	10,700	1.00%	10,733	1.30%	7,506	0.90%	10,733	1.40%
City of San Antonio	9,000	1.00%	10,687	1.00%	9,830	1.10%	11,239	1.30%	9,813	1.30%
Northeast ISD	10,223	1.10%	10,223	1.00%	8,360	1.00%	7,557	0.90%	7,847	1.00%
San Antonio ISD	7,581	0.80%	7,425	0.80%	8,000	0.90%			8,000	1.00%
Methodist Healthcare	7,013	0.80%	7,391	0.80%	7,013	0.80%	6,520	0.80%	7,200	0.90%
AT&T, Inc.							5,611	0.7%		
<b>Total Employment</b>	<b>145,447</b>	<b>16.00%</b>	<b>147,356</b>	<b>14.80%</b>	<b>135,279</b>	<b>15.80%</b>	<b>114,942</b>	<b>13.80%</b>	<b>144,948</b>	<b>18.70%</b>

(1) Source: San Antonio Economic Development Foundation Website 8/10/2010

<http://www.sanantoniodef.com/>

(2) Source: San Antonio Economic Development Foundation, Northside ISD, Northeast ISD and by contact with institutional representatives.

Texas Workforce Commission, Tracer 2 (Labor Force - June 2009)

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

(4) Source: City of San Antonio Planning Office

(5) Source: San Antonio Economic Development Foundation

**Note:**

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Faculty</b>										
Full-time	1,027	1,049	1,024	1,052	992	992	964	961	915	869
Part-time	2,787	2,957	2,865	3,011	3,052	3,345	3,228	3,034	2,771	2,572
<b>Total</b>	<b>3,814</b>	<b>4,006</b>	<b>3,889</b>	<b>4,063</b>	<b>4,044</b>	<b>4,337</b>	<b>4,192</b>	<b>3,995</b>	<b>3,686</b>	<b>3,441</b>
<b>Percent</b>										
Full-time	26.93%	26.19%	26.33%	25.89%	24.53%	22.87%	23.00%	24.06%	24.82%	25.25%
Part-time	73.07%	73.81%	73.67%	74.11%	75.47%	77.13%	77.00%	75.94%	75.18%	74.75%
<b>Staff and administrators</b>										
Full-time	1,768	1,823	1,763	1,814	1,720	1,620	1,568	1,516	1,418	1,305
Part-time	708	888	887	930	926	1,050	964	1,079	1,195	1,094
<b>Total</b>	<b>2,476</b>	<b>2,711</b>	<b>2,650</b>	<b>2,744</b>	<b>2,646</b>	<b>2,670</b>	<b>2,532</b>	<b>2,595</b>	<b>2,613</b>	<b>2,399</b>
<b>Percent</b>										
Full-time	71.41%	67.24%	66.53%	66.11%	65.00%	60.67%	61.93%	58.42%	54.27%	54.40%
Part-time	28.59%	32.76%	33.47%	33.89%	35.00%	39.33%	38.07%	41.58%	45.73%	45.60%
<b>FTSE*</b>	<b>41,752</b>	<b>36,668</b>	<b>34,173</b>	<b>33,428</b>	<b>33,249</b>	<b>33,173</b>	<b>32,889</b>	<b>32,282</b>	<b>29,536</b>	<b>26,817</b>
FTSE per full-time faculty	40.7	35	33.4	31.8	33.5	33.4	34.1	33.6	32.3	30.9
FTSE per full-time staff member	23.6	20.1	19.4	18.4	19.3	20.5	21	21.3	20.8	20.5
Average annual FT faculty salary	\$ 55,614	\$ 54,121	\$ 52,939	\$ 51,240	\$ 50,142	\$ 49,752	\$ 48,415	\$ 48,189	\$ 46,939	\$ 45,476

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

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

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

Prepared by ACCD District Student Outcomes Assessment Research (SOAR)



## ALAMO COMMUNITY COLLEGE DISTRICT

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

Student Classification	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30	35,281	60.17%	31,042	59.35%	28,906	57.78%	28,458	57.50%	28,179	57.56%
31-60	16,056	27.38%	14,657	28.02%	14,597	29.18%	14,479	29.26%	14,447	29.51%
Unclassified	7,292	12.44%	6,595	12.61%	6,504	13.00%	6,505	13.14%	6,267	12.80%
>60 hours	9	0.01%	12	0.02%	22	0.04%	46	0.10%	65	0.13%
<b>Total</b>	<b>58,638</b>	<b>100.00%</b>	<b>52,306</b>	<b>100.00%</b>	<b>50,029</b>	<b>100.00%</b>	<b>49,488</b>	<b>100.00%</b>	<b>48,958</b>	<b>100.00%</b>

Semester Hour Load	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	529	0.90%	323	0.62%	271	0.54%	270	0.55%	300	0.61%
3 - 5 Semester Hours	11,595	19.77%	10,677	20.41%	9,239	18.47%	8,601	17.38%	8,398	17.15%
6 - 8 Semester Hours	17,064	29.10%	15,120	28.91%	14,386	28.76%	14,183	28.66%	14,140	28.88%
9 - 11 Semester Hours	10,472	17.86%	9,097	17.39%	8,864	17.72%	8,651	17.48%	8,535	17.43%
12 - 14 Semester Hours	16,761	28.58%	14,835	28.36%	14,863	29.71%	15,473	31.27%	15,502	31.66%
15 - 17 Semester Hours	1,964	3.35%	2,000	3.82%	2,160	4.32%	2,040	4.12%	1,869	3.82%
18 & Over	253	0.44%	254	0.49%	246	0.48%	270	0.54%	214	0.45%
<b>Total</b>	<b>58,638</b>	<b>100.00%</b>	<b>52,306</b>	<b>100.00%</b>	<b>50,029</b>	<b>100.00%</b>	<b>49,488</b>	<b>100.00%</b>	<b>48,958</b>	<b>100.00%</b>

Average Course Load	8.5	8.5	8.7	8.8	8.8
---------------------	-----	-----	-----	-----	-----

Tuition Status	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	48,787	83.20%	43,116	82.43%	41,741	83.43%	41,628	84.12%	41,356	84.47%
Texas Resident (Out-of-Dist.)	7,939	13.54%	7,295	13.95%	6,544	13.08%	6,431	13.00%	6,331	12.93%
Non-Resident Tuition	1,096	1.87%	1,137	2.17%	1,013	2.02%	811	1.64%	747	1.53%
Tuition Exemption/Other	79	0.13%	165	0.32%	142	0.28%	96	0.19%	90	0.18%
Foreign	737	1.26%	593	1.13%	589	1.19%	522	1.05%	434	0.89%
<b>Total</b>	<b>58,638</b>	<b>100.00%</b>	<b>52,306</b>	<b>100.00%</b>	<b>50,029</b>	<b>100.00%</b>	<b>49,488</b>	<b>100.00%</b>	<b>48,958</b>	<b>100.00%</b>

\*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 Five Fiscal Years (Unaudited)

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Gender</b>										
Female	33,607	57.31%	30,386	58.09%	29,341	58.65%	29,350	59.31%	29,284	59.81%
Male	25,031	42.69%	21,920	41.91%	20,688	41.35%	20,138	40.69%	19,674	40.19%
<b>Total</b>	<b>58,638</b>	<b>100.00%</b>	<b>52,306</b>	<b>100.00%</b>	<b>50,029</b>	<b>100.00%</b>	<b>49,488</b>	<b>100.00%</b>	<b>48,958</b>	<b>100.00%</b>

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Ethnic Origin</b>										
White	23,327	39.78%	20,202	38.62%	19,753	39.48%	19,725	39.86%	19,513	39.86%
Hispanic	28,943	49.36%	26,357	50.39%	24,956	49.88%	24,585	49.68%	24,403	49.84%
African American	4,147	7.07%	3,717	7.11%	3,453	6.90%	3,352	6.77%	3,267	6.67%
Asian	1,621	2.76%	1,414	2.70%	1,314	2.63%	1,248	2.52%	1,133	2.31%
Foreign	357	0.61%	408	0.78%	342	0.68%	389	0.79%	390	0.80%
Native American	243	0.42%	208	0.40%	211	0.43%	189	0.38%	252	0.51%
<b>Total</b>	<b>58,638</b>	<b>100.00%</b>	<b>52,306</b>	<b>100.00%</b>	<b>50,029</b>	<b>100.00%</b>	<b>49,488</b>	<b>100.00%</b>	<b>48,958</b>	<b>99.99%</b>

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Age</b>										
Under 18	8,584	14.64%	7,398	14.14%	6,278	12.55%	5,323	10.76%	5,240	10.70%
18 - 21	22,330	38.08%	20,514	39.22%	19,539	39.06%	19,348	39.10%	18,845	38.49%
22 - 24	8,114	13.84%	7,257	13.87%	7,338	14.67%	7,246	14.64%	7,179	14.66%
25 - 35	12,931	22.05%	11,300	21.60%	11,068	22.12%	11,482	23.20%	11,400	23.29%
36 - 50	5,668	9.67%	4,934	9.43%	4,901	9.80%	5,131	10.37%	5,318	10.86%
51 and Over	1,011	1.72%	903	1.74%	905	1.81%	956	1.93%	976	2.00%
Unknown							2	0.00%		
<b>Total</b>	<b>58,638</b>	<b>100.00%</b>	<b>52,306</b>	<b>100.00%</b>	<b>50,029</b>	<b>100.00%</b>	<b>49,488</b>	<b>100.00%</b>	<b>48,958</b>	<b>100.00%</b>

<b>Average Age</b>	<b>24.3</b>	<b>24.2</b>	<b>24.4</b>	<b>24.8</b>	<b>25</b>
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## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 17 Transfer Students to Senior Institutions 2007 Fall Students as of Fall 2008\* (Unaudited)

	Academic Students	Technical Students	Tech-Prep Students	Total	% of Students
1 UT at San Antonio	3,428	508	42	3,978	45.30%
2 Texas State University	966	152	12	1,130	12.87%
3 Texas A&M University	818	71	9	898	10.23%
4 Texas A&M Kingsville	808	83	5	896	10.20%
5 UT at Austin	729	57	2	788	8.97%
6 Texas Tech University	263	26	1	290	3.30%
7 Texas A&M Corpus Christi	145	17	1	163	1.86%
8 University of North Texas	112	6	2	120	1.37%
9 University of Houston	61	9	1	71	0.81%
10 Angelo State University	58	3	1	62	0.71%
11 Sam Houston State	55	4	3	62	0.71%
12 Stephen F. Austin State	34	4	0	38	0.43%
13 Tarleton State	30	3	0	33	0.38%
14 UT at Arlington	26	3	0	29	0.33%
15 Texas A&M International	17	3	0	20	0.23%
16 Texas A&M Galveston	19	0	0	19	0.22%
17 Prairie View A&M	18	0	0	18	0.20%
18 Sul Ross State	17	1	0	18	0.20%
19 UT at Dallas	16	1	0	17	0.19%
20 Texas Woman's University	14	2	0	16	0.18%
21 UT Pan American	13	3	0	16	0.18%
22 West Texas A&M	11	3	0	14	0.16%
23 Lamar University	10	1	1	12	0.14%
24 UT at El Paso	11	1	0	12	0.14%
25 Texas A&M Commerce	7	2	0	9	0.10%
26 University of Houston Downtown	7	1	0	8	0.09%
27 UT at Tyler	6	2	0	8	0.09%
28 Midwestern State	5	2	0	7	0.08%
29 Sul Ross State Rio Grande College	6	1	0	7	0.08%
30 University of Houston Victoria	7	0	0	7	0.08%
31 UT at Brownsville	5	0	0	5	0.06%
32 UT of the Perian Basin	5	0	0	5	0.06%
33 Texas Southern University	4	0	0	4	0.05%
34 University of Houston Clear Lake	2	0	0	2	0.02%
<b>Totals</b>	<b>7,733</b>	<b>969</b>	<b>80</b>	<b>8,782</b>	<b>100%</b>

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

\* Latest information available

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 18 Capital Asset Information Fiscal Years 2006 to 2010 (Unaudited)

	2010	2009	2008	2007	2006
<b>Academic buildings</b>	121	120	91	88	70
Square footage (in thousands)	2,659 *	2,769	2,571	2,132	2,132
<b>Libraries</b>	8	6	7	6	6
Square footage (in thousands)	330	370	312	193	193
Number of volumes (in thousands)	610	666	675	675	482
<b>Administrative and support buildings</b>	59	60	44	15	15
Square Footage (in thousands)	824	684	591	147	147
<b>Parking garages</b>	1	1	1	-	-
Square footage (in thousands)	394	394	394	-	-
<b>Dining facilities</b>	6	6	5	5	5
Square footage (in thousands)	73	85	64	48	48
Average daily customers	3,114	2,193	2,193	2,259	2,395
<b>Athletic facilities</b>	8	7	4	4	4
Square footage (in thousands)	265	247	189	192	192
Gymnasium buildings	5	5	4	4	4
Fitness centers	6	5	4	4	4
Tennis courts	18	18	14	8	8
Swimming pools	3	3	3	4	4
Soccer fields	1	-	-	-	-
Fitness trails	2	-	-	-	-
Putting green	1	-	-	-	-
Rock climbing wall	1	-	-	-	-
<b>Plant facilities</b>	21	20	10	4	4
Square footage (in thousands)	104	101	88	38	38
<b>Transportation</b>					
Cars	30	35	32	34	42
Trucks/vans	90	76	64	68	85
Buses	2	2	2	2	2
Electric cars	5				
<b>ADA parking spaces</b>	479	464	401	317	317
<b>Non ADA parking spaces</b>	14,309	14,015	13,697	8,944	8,944

\* Academic building square footage decreased due to reclassifications and expiration of a lease.

## **Single Audit Section**



ALAMO  
COLLEGES

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

Chancellor, Vice Chancellors and Board of Trustees  
Alamo Community College District

We have audited the financial statements of Alamo Community College District as of and for the year ended August 31, 2010, and have issued our report thereon dated December 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal control over financial reporting

In planning and performing our audit, we considered Alamo Community College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alamo Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Alamo Community College District's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 10-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

### Compliance and other matters

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

Alamo Community College District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Alamo Community College District's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst & Young LLP*

December 7, 2010



## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Chancellor, Vice Chancellors and Board of Trustees  
Alamo Community College District

### **Compliance**

We have audited the compliance of Alamo Community College District with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2010. Alamo Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Alamo Community College District's management. Our responsibility is to express an opinion on Alamo Community College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about Alamo Community College 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. Our audit does not provide a legal determination of Alamo Community College District's compliance with those requirements.

As described in finding items 10-2, 10-3, 10-4 and 10-5 in the accompanying schedule of findings and questioned costs, Alamo Community College District did not comply with requirements regarding special tests and provisions that are applicable to its student financial assistance cluster of programs. As described in finding items 10-7 and 10-8 in the accompanying schedule of findings and questioned costs, Alamo Community College District did not comply with requirements regarding allowable costs and reporting that are applicable to its United States Agency for International Development program. Compliance with such requirements is necessary, in our opinion, for Alamo Community College District to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Alamo Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 10-6.

### **Internal control over compliance**

The management of Alamo Community College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Alamo Community College District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but

not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alamo Community College District's internal control over compliance.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency* in internal control over compliance 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, 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding items 10-2, 10-3, 10-4, 10-5, 10-7, and 10-8 to be material weaknesses.

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, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding item 10-6 to be a significant deficiency.

Alamo Community College District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Alamo Community College District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

December 7, 2010

## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Texas Single Audit Circular

Chancellor, Vice Chancellors and Board of Trustees  
Alamo Community College District

### **Compliance**

We have audited the compliance of Alamo Community College District with the types of compliance requirements described in the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular* (Texas Single Audit Circular), that are applicable to each of its major state programs for the year ended August 31, 2010. Alamo Community College District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Alamo Community College District's management. Our responsibility is to express an opinion on Alamo Community College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Texas Single Audit Circular. Those standards and Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Alamo Community College 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. Our audit does not provide a legal determination of Alamo Community College District's compliance with those requirements.

In our opinion, Alamo Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended August 31, 2010.

### **Internal control over compliance**

The management of Alamo Community College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Alamo Community College District's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alamo Community College District's internal control over compliance.

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

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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, board of trustees, others within the entity, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

December 7, 2010

**Alamo Community College District  
Schedule of Findings and Questioned Costs  
Year Ended August 31, 2010**

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

**Financial Statements Section**

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

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

           Yes

  X   No

Significant deficiency(ies) identified?

  X   Yes

           None reported

Noncompliance material to financial statements noted?

           Yes

  X   No

**Federal Awards Section**

Internal control over major programs:

Material weakness(es) identified?

  X   Yes

           No

Significant deficiency(ies) identified?

  X   Yes

           None reported

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

Qualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?

  X   Yes

           No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.007, 84.033, 84.063, 84.268, 84.375

Student Financial Assistance Cluster

84.042, 84.047

TRIO Cluster

84.397

ARRA - State Fiscal Stabilization Fund - Government Services Recovery Act

84.037

Higher Education Institutional Aid

84.048

Career and Technical Education - Basic Grants to States

98.001

USAID Foreign Assistance for Program Overseas

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

\$646,601

Auditee qualified as low-risk auditee?

           Yes

  X   No

**Part I - Summary of Auditor's Results (continued)**

**State Awards Section**

Internal control over major programs:

Material weakness(es) identified?

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

Significant deficiency(ies) identified?

\_\_\_\_\_ **Yes**                        X   **None reported**

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

\_\_\_\_\_ **Unqualified** \_\_\_\_\_

Any audit findings disclosed that are required to be reported in  
accordance with section .510(a) of Part IV of the State of Texas  
Uniform Grant and Contract Standards Act of 1981?

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

Identification of major state programs:

**Contract Number(s)**

**Name of State Program**

Initial: 2009-2010, 2010-2011  
Renewal: 2008-2009, 2009-2010,2010-2011,  
SPC

Texas Grant Initial & Renewal  
Professional Nursing Shortage Reduction Program - Under  
70

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

\$300,000

Auditee qualified as low-risk auditee?

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

## Part II - Financial Statement Findings Section

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

### **Finding 10-1**

**Criteria or specific requirement:**

A significant deficiency was noted on internal control over financial reporting during the current year financial statement audit related to information system general controls.

**Condition:**

Alamo Community College District's (ACCD or the District) financial information system (Banner - Finance) controls designed to limit privileged user access (the ability to provision access) to appropriate individuals to monitor and manage system changes and properly segregate duties were determined to be ineffective during the fiscal year ended August 31, 2010.

**Context**

During our testing we noted the following deficiencies with ACCD's financial information systems general controls:

1. The password to the generic account has not been changed for several years and the password and ID are known by several Information Technology (IT) professionals no longer performing the role of IT Security Officer;
2. The Banner application currently does not have password complexity enabled;
3. Certain individuals that are not performing user provisioning functions have provisioning and maintenance access;
4. There was no tracking or monitoring of changes to the Banner system;
5. Information system developers have access to migrate changes directly into the production Banner system; and
6. The Director of Accounting performs the role of requesting and approving users' security class and account structure access.

**Effect:**

Ineffective IT system general controls create an opportunity for potential misstatements of financial information.

**Cause:**

ACCD does not have a comprehensive information technology risk and control framework that identifies key IT risks and controls and requires monitoring of these key controls.

**Recommendation:**

We recommend that ACCD develop and implement a comprehensive information technology risk and control framework that identifies key IT risks and controls relevant to the ACCD IT environment. This framework should also include a comprehensive control monitoring program.

**Views of responsible officials and planned corrective actions**

The Vice Chancellor for Planning Performance and Information Systems and the Vice Chancellor for Finance and Administration will improve the information technology risk and control framework during fiscal year 2011 to achieve a comprehensive

**Part II - Financial Statement Findings Section (continued)**

control monitoring program.

Implementation Date: 2011

Responsible Person: Vice Chancellor for Planning Performance and Information Systems and the Vice Chancellor for Finance and Administration

Conclusion

Additional substantive testing and testing of manual controls were performed during the financial statement audit. No material misstatements were noted in the financial statements for the year ended August 31, 2010.



### Part III - Federal Award Findings and Questioned Costs Section

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

#### **Finding 10-2**

<p><u>Federal program information:</u></p>	<p><u>Federal Awarding Agency:</u> United States Department of Education</p> <p><u>Federal Program:</u> Student Financial Assistance (SFA) Cluster: Federal Supplemental Educational Opportunity Grant CFDA No.: 84.007 Federal Work-Study Program CFDA No.: 84.03 Federal Pell Grant Program CFDA No.: 84.063 Federal Direct Student Loans CFDA No.: 84.268 Academic Competiveness Grant CFDA No.: 84.375</p> <p>Award year: 2009-2010</p>
<p><u>Criteria or specific requirement (including statutory, regulatory or other citation):</u></p>	<p><u>Special Tests and Provisions - Student Status Changes</u> Under FFEL and Direct Loan programs, schools must complete and return within 30 days of receipt of the Student Status Confirmations Reports (SSCR) sent by the Department of Education (ED) or guaranty agency (OMB No. 1845-0035). The SSCR is transmitted electronically to the NSLDS. Unless the school expects to complete its next SSCR within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309)</p>
<p><u>Condition:</u></p>	<p>Of the 40 students that received FFEL or direct loans and had a change in status, status changes selected for testing, status change information for 35 students was submitted to the National Student Loan Data System more than 30 days after the student withdrew or graduated.</p>
<p><u>Questioned costs:</u></p>	<p>\$0</p>
<p><u>Context:</u></p>	<p>We selected 40 students with status changes who had received FFEL or Direct Loans. For 35 of the 40 students, status changes were processed later than 30 days after the student withdrew or graduated.</p>
<p><u>Effect:</u></p>	<p>Students' repayment of FFEL or Direct loans may be delayed beyond the required repayment timeline.</p>
<p><u>Cause:</u></p>	<p>ACCD's process for submitting student status changes was not performed within the timeframe required for compliance.</p>
<p><u>Recommendation:</u></p>	<p>ACCD should implement additional procedures and internal controls to ensure that student status changes are submitted timely as determined by the program guidelines.</p>
<p><u>Views of responsible officials and planned corrective actions:</u></p>	<p>During fiscal year 2011, the Vice Chancellor for Student Success will standardize the enrollment and degree submission dates for all the Alamo Colleges to facilitate compliance with required National Student Clearinghouse deadline requirements. The reporting for the enrollment and degree data to the National Student Clearinghouse was centralized for the five Alamo Colleges during fiscal year 2010. Implementation date: 2011 Responsible person: Vice Chancellor for Student Success</p>

**Part III - Federal Award Findings and Questioned Costs Section (continued)**

**Finding 10-3**

<u>Federal program information:</u>	<p><b>Federal Awarding Agency:</b> United States Department of Education</p> <p><b>Federal Program:</b> Student Financial Assistance (SFA) Cluster: Federal Supplemental Educational Opportunity Grant CFDA No.: 84.007 Federal Work-Study Program CFDA No.: 84.033 Federal Pell Grant Program CFDA No.: 84.063 Federal Direct Student Loans CFDA No.: 84.268 Academic Competiveness Grant CFDA No.: 84.375</p> <p>Award year: 2009-2010</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	<p>Special Tests and Provisions - Verification -Information that must be verified or updated is adjusted gross income, U.S. income tax paid, aggregate number of family members in the household, number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one, and untaxed income and benefits. (34 CFR section 668.56)</p>
<u>Condition:</u>	<p>Pursuant to ACCD's policies and procedures in place for verifying student application designed to meet the requirements of 34 CFR 688.53, ACCD performs verification procedures on 30% for its student applicants. We selected 25 students selected by ACCD for verification testing and noted the following:</p> <ul style="list-style-type: none"> <li>• For four of 25 students, ACCD did not complete documentation of the student's untaxed income (child support, social security and/or welfare);</li> <li>• For two students, ACCD did not obtain the student tax form and there was no support for the required variance analysis indicating that the amounts verified were within \$400 the student's expected family contribution ;</li> <li>• For one student, the reported amount of parent taxable income did not agree to the parent tax return.</li> <li>• For one student, the student tax form was not completed.</li> </ul>
<u>Questioned costs:</u>	<p>\$66,949</p>
<u>Context:</u>	<p>We tested ACCD's verification of the information submitted by 25 students and noted the following:</p> <ul style="list-style-type: none"> <li>• For four of 25 students, ACCD did not complete documentation of the student's untaxed income;</li> <li>• For two students, ACCD did not obtain the student tax form and there was no support for the required variance analysis indicating that the amounts verified were within \$400 the student's EFC;</li> <li>• For one student, the reported amount of parent taxable income did not agree to the parent tax return.</li> <li>• For one student, the student tax form was not completed.</li> </ul> <p>Questioned costs were determined as the total SFA awards to the students referenced in the verification findings discussed above.</p>
<u>Effect:</u>	<p>Student was awarded grants which he may not be eligible under the program guidelines.</p>
<u>Cause:</u>	<p>ACCD failed to perform the verification procedures identified in its policy designed to meet the requirements of 34 CFR 668.53 and therefore may not have identified that student was ineligible for financial assistance.</p>
<u>Recommendation:</u>	<p>ACCD should implement additional procedures and internal controls to ensure that all verification procedures are performed in accordance with its verification policy.</p>

**Part III - Federal Award Findings and Questioned Costs Section (continued)**

Views of responsible officials  
and planned corrective actions:

During fiscal year 2011, the Vice Chancellor for Student Success will review, revise and make improvements to the current document tracking procedures to ensure that program integrity rules for verification are followed. Additionally, procedures and controls in the Banner system will be enhanced where possible and necessary staff training will be provided for new procedures in order to attain compliance.

Implementation date: 2011

Responsible person: Vice Chancellor for Student Success

Part III - Federal Award Findings and Questioned Costs Section (continued)

**Finding 10-4**

Federal program information:

Federal awarding agencies:  
United States Department of Education

Federal programs:  
SFA Cluster:  
Federal Supplemental Educational Opportunity Grant  
CFDA No.: 84.007  
Federal Work-Study Program  
CFDA No.: 84.033  
Federal Pell Grant Program  
CFDA No.: 84.063  
Federal Direct Student Loans  
CFDA No.: 84.268  
Academic Competitiveness Grant  
CFDA No.: 84.375

Award years: 2009-2010 & 2010-2011 (Fall awards only)

Criteria or specific requirement (including statutory, regulatory or other citation):

Special Tests and Provisions - Return of Title IV Funds:

1. Applicable for a Student Who Does Not Begin Attendance - The institution must return those funds for which it is responsible as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance (34 CFR section 668.21(b));
2. Applicable After a Student Begins Attendance - Returns of Title IV funds are required to be deposited or transferred in the SFA account or electronic fund transfers initiated to the Department of Education(ED) or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the cancelled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew. (34 CFR section 668.173(b)).

Condition:

The return of Title IV funds rules were not timely applied; therefore, it could not be determined that ACCD returned Title IV funds for students that withdrew after beginning attendance. During our testing of 45 refunds;

- Three refunds related to students that did not begin attendance were not returned within 30 days after ACCD became aware that the student had not begun attendance;
- Five refunds related to students that withdrew after attendance began were not returned within 45 days after ACCD determined that the student withdrew; and,
- Three refunds were returned via checks which were still outstanding as of 60 days after ACCD determined that the student withdrew.

Questioned costs:

\$1,350

Context:

As part of our testing of the compliance requirements for Return of Title IV Funds, we tested 45 refunds from the total population of student financial assistance refunds for students that withdrew after the start of classes. Through inquiry and observation, it was noted that of the 45 refunds tested:

- Three refunds related to students that did not begin attendance were not returned within 30 days after ACCD became aware that the student had not begun attendance;
- Five refunds related to students that withdrew after attendance began were not returned within 45 days after ACCD determined that the student withdrew; and,
- Three refunds were returned via checks which were still outstanding as of 60 days after ACCD determined that the student withdrew.

Questioned costs were determined as the total of the three outstanding refund checks referenced above.

**Part III - Federal Award Findings and Questioned Costs Section (continued)**

<u>Effect:</u>	ACCD is not consistently in compliance with Federal guidelines regarding timing of return of Title IV funds.
<u>Cause:</u>	ACCD personnel did not adhere to controls in place to timely return Title IV funds to the ED or lender as a student withdraws.
<u>Recommendation:</u>	Establish procedures and internal control surrounding the timely return of Title IV funds after student withdrawal.
<u>Views of responsible officials and planned corrective actions:</u>	<p>The Vice Chancellor for Student Success and the Vice Chancellor for Planning Performance and Information Systems will develop and enhance the reporting of Banner data for student withdrawing. The William D. Ford Federal Direct Loan Program was implemented beginning fall 2010, eliminating the need for a paper check, thus streamlining the process. During fiscal year 2011, additional training will be provided in order that compliance is met.</p> <p>Implementation date: 2011 Responsible persons: Vice Chancellor for Student Success and Vice Chancellor of Planning Performance and Information Systems</p>

**Part III - Federal Award Findings and Questioned Costs Section (continued)**

**Finding 10-5**

<u>Federal program information:</u>	<p><u>Federal awarding agencies:</u> United States Department of Education</p> <p><u>Federal programs:</u> SFA Cluster: Federal Supplemental Educational Opportunity Grant CFDA No.: 84.007 Federal Work-Study Program CFDA No.: 84.033 Federal Pell Grant Program CFDA No.: 84.063 Federal Direct Student Loans CFDA No.: 84.268 Academic Competitiveness Grant CFDA No.: 84.375</p> <p>Award year: 2009-2010</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	<p>Special Tests and Provisions - Disbursements To or On Behalf of Students - The earliest an institution may disburse the initial installment of a loan under the Direct Loan or FFEL programs to a first-year, first-time borrower as described in 34 CFR 682.604(c) and 34 CFR 685.303(b)(4) is 30 days after the first day of the student's program of study. (34 CFR section 668.164(f)(3)).</p>
<u>Condition:</u>	<p>In our testing of 23 FFEL and Direct Loan student disbursements, loan funds were disbursed to one first-year, first-time borrower 17 days after the first day of the student's program of study.</p>
<u>Questioned costs:</u>	<p>\$2,239</p>
<u>Context:</u>	<p>As part of our testing of the compliance requirements for student disbursements, we tested 40 student SFA disbursements from the total population of student financial assistance disbursements during the year ended August 31, 2010; 23 of the 40 students received disbursements for FFEL or Direct Loans. Through inquiry and observation, it was noted that one of the 23 disbursements related to a first-year, first-time student which received his FFEL disbursement 17 days (rather than 30 days) after the first day of his program of study. Questioned costs were determined as the total FFEL or Direct Loan early disbursement amount to the student noted in the finding.</p>
<u>Effect:</u>	<p>ACCD is not consistently in compliance with Federal guidelines regarding disbursement of FFEL and Direct Loans to first-year, first-time students.</p>
<u>Cause:</u>	<p>ACCD personnel did not adhere to controls in place to timely disburse FFEL and Direct Loans to first-year, first-time students.</p>
<u>Recommendation:</u>	<p>Establish procedures and internal control surrounding the timely disbursement of FFEL and Direct Loans to first-year, first-time students.</p>
<u>Views of responsible officials and planned corrective actions:</u>	<p>The Vice Chancellor for Student Success will facilitate training to stress the significance of the 30-day rule for first time borrowers to avoid early payment. Additional training will be provided to analyze data reported to Common Originations and Disbursement with necessary corrective action taken to correct errors. Disbursements will be made only after accurate data is transmitted to the federal processor.</p> <p>Implementation Date: 2011 Responsible Person: Vice Chancellor of Student Success</p>

**Part III - Federal Award Findings and Questioned Costs Section (continued)**

**Finding 10-6**

<u>Federal program information:</u>	<p><b>Federal Awarding Agency:</b> United States Department of Education</p> <p><b>Federal Program:</b> TRIO Cluster: Student Support Services, CFDA No.: 84.042 Upward Bound, CFDA No.: 84.047</p> <p><b>Award year:</b> 2009-2010</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	The institution must submit annual performance reports to the Department of Education (ED) (OMB Nos. 1840-0525 & 1840-0762). The performance reports must highlight specific areas (key line items) as designated by the ED.
<u>Condition:</u>	Reporting.
<u>Questioned costs:</u>	\$0
<u>Context:</u>	We tested the data reported for 35 students in the annual performance reports submitted for each program. Our testing covered a total of 315 key line item data fields required to be reported for the 35 students tested. Based on our testing, we found errors in 12 of the 315 data fields; six errors were noted in the eligibility date field and six errors were noted in several other data fields. All errors identified were included in the Student Support Services programmatic report. No errors were noted in the portion of the population that related to Upward Bound.
<u>Effect:</u>	Incorrect student information submitted in the annual performance report may impact the amounts of future assistance related to the Student Support Services program.
<u>Cause:</u>	The performance reports are manually prepared with information extracted from ACCD's student information system. The errors noted resulted from keying errors made during the manual report preparation.
<u>Recommendation:</u>	ACCD should implement additional procedures and internal controls to determine that the annual performance reports for the Student Support Services program are accurately prepared and reviewed prior to submission.
<u>Views of responsible officials and planned corrective actions:</u>	<p>The Vice Chancellor for Student Success will ensure that additional training and monitoring on the annual performance reporting processes are provided to ensure accuracy of the reports prior to submission.</p> <p>Implementation date: 2011 Responsible person: Vice Chancellor for Student Success</p>

**Part III - Federal Award Findings and Questioned Costs Section (continued)**

**Finding 10-7**

<u>Federal program information:</u>	<p><b>Federal Awarding Agency:</b> United States Agency for International Development (Pass through from Georgetown University)</p> <p><b>Federal Program:</b> USAID Foreign Assistance for Program Overseas CFDA No.: 98.001</p> <p>Award year: 2009-2010</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	The grants require reporting of the funds matched by the District with each reimbursement request. Pursuant to the grants, the District's matching may occur at any time during the award period.
<u>Condition:</u>	Reporting: We tested two reports submitted to the pass-through agency, for the matching amounts reported on both reports; the District could not provide supporting documentation.
<u>Questioned costs:</u>	\$0
<u>Context:</u>	<p>We tested two reports submitted to the pass-through agency, for the matching amounts reported on both reports; the District could not provide supporting documentation.</p> <p>No questioned costs were determined since the end of the period of availability has not yet occurred.</p>
<u>Effect:</u>	The District failed to properly report the matching amounts incurred.
<u>Cause:</u>	ACCD personnel did not adhere to controls in place to accurately report the amounts matched for the grant in the report.
<u>Recommendation:</u>	ACCD should implement additional procedures and internal controls to determine that the reports accurately reflect the amounts the District has matched for the period reported.
<u>Views of responsible officials and planned corrective actions:</u>	<p>The Vice Chancellor for Economic and Workforce Development will ensure that the USAID Program staff implements processes to ensure adequate documentation is prepared and retained for all matching funds required under grant terms.</p> <p>Implementation Date: 2011</p> <p>Responsible Person: Vice Chancellor for Economic and Workforce Development</p>



**Part III - Federal Award Findings and Questioned Costs Section (continued)**

**Finding 10-8**

<u>Federal program information:</u>	<p><u>Federal Awarding Agency:</u> United States Agency for International Development (Pass through from Georgetown University)</p> <p><u>Federal Program:</u> USAID Foreign Assistance for Program Overseas CFDA No.: 98.001</p> <p>Award year: 2009-2010</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	OMB Circular A-21 requires that costs be supported by appropriate documentation, such as time and attendance records.
<u>Condition:</u>	Allowable costs: We tested 40 costs charged as allowable grant costs. For seven payroll costs of the 40 costs tested, the District could not provide time and attendance records to support the amounts recorded as grant related costs.
<u>Questioned costs:</u>	\$6,826
<u>Context:</u>	<p>We tested 40 costs charged as allowable grant costs. For seven payroll-related costs of the 40 costs tested, the District could not provide time and attendance records to support the amounts recorded as grant related costs.</p> <p>Questioned costs were determined as the total of the seven payroll-related costs referenced above.</p>
<u>Effect:</u>	The District failed to properly maintain supporting documentation for allowable grant costs.
<u>Cause:</u>	ACCD personnel did not adhere to policies and controls in place to maintain supporting documentation for allowable grant costs.
<u>Recommendation:</u>	ACCD should implement additional procedures and internal controls to ensure that appropriate supporting documentation is maintained for all allowable grant costs.
<u>Views of responsible officials and planned corrective actions:</u>	<p>The Vice Chancellor for Finance and Administration will work with the colleges to ensure additional training and monitoring are provided to ensure compliance.</p> <p>Implementation Date: 2011</p> <p>Responsible Person: Vice Chancellor for Economic and Workforce Development and Vice Chancellor for Finance</p>

**Part IV - State Award Findings and Questioned Costs Section**

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

No findings were noted.

## ALAMO COMMUNITY COLLEGE DISTRICT

### Summary Schedule of Prior Year Audit Findings

Year Ended August 31, 2010

#### Section B—Financial Statement Findings

##### **Finding 09-01—Human Resources and Payroll**

Update to Corrective Action Plan: Banner Web Time Entry is currently in implementation and will replace all manual timecards and facilitate record retention.

##### **Finding 09-02—Capital Assets**

Update to Corrective Action Plan: The Board approved a policy update to include capitalization thresholds. Additional information regarding the purchase of equipment and other assets has been published on the Finance and Fiscal Services website.

##### **Finding 09-03—Internal Audit Activity-Formal Responses to Internal Audit Reports**

Update to Corrective Action Plan: The Vice Chancellor for Finance and Administration has made significant improvements in the coordination of formal responses to internal audit reports. A centralized database was established with all audit recommendations and current status of management's action plans. Written procedures were developed to formalize this process. Semi-annual updates on the status of action plans for the accepted recommendations were and will continue to be provided to management and the Board of Trustees beginning October 2010.

#### Section C—Federal and State Award Findings and Questioned Costs

##### **Finding 09-04—Student Financial Aid**

Update to Corrective Action Plan: The financial aid processes have been re-engineered and Banner Student was implemented effective Fall 2010. New business processes were developed with staff training conducted on the new system. New system challenges are being handled by the affected departments including Financial Aid, Finance, and Center for Student Information.

##### **Finding 09-05—Student Financial Aid**

Update to Corrective Action Plan: The financial aid processes have been re-engineered and Banner Student was implemented effective Fall 2010. New business processes were developed with staff training conducted on the new system. New system challenges are being handled by the affected departments including Financial Aid, Finance, and Center for Student Information.

##### **Finding 09-06—Student Financial Aid**

Update to Corrective Action Plan: The Vice Chancellor for Student Success has provided training to all the financial aid staff on issues related to financial aid staff positions. As a standard internal practice, each College's financial aid director is responsible for ensuring financial aid staff are eligible for any financial assistance awarded to them.



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