



ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

San Antonio, Texas



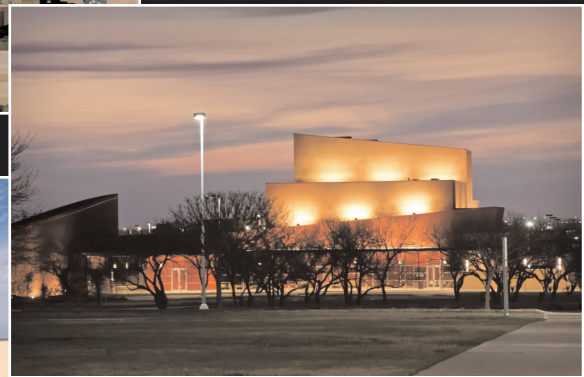
San Antonio College



St. Philip's College



Northeast Lakeview College



Palo Alto College



Northwest Vista College

Comprehensive Annual Financial Report

For the Years Ended
August 31, 2009 and 2008

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Comprehensive Annual Financial Report

For the Years Ended
August 31, 2009 and 2008

Prepared by:

Finance and Fiscal Services Department

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



ALAMO
COLLEGES



December 11, 2009

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 College Community College District (ACCD; Alamo Colleges; District) for the fiscal year ended August 31, 2009. The report is prepared in accordance with generally accepted accounting principles and the Governmental Accounting Standards Board (GASB). 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). The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board in its authoritative pronouncements, as well as the financial reporting standards of the Government Finance Officers Association (GFOA).

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 addition to meeting the requirements set forth in State statutes, the audit is also 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 reports related specifically to the single audit are included in the Single Audit Section. The District's Board of Trustees selected the accounting firm of Padgett, Stratemann & Co., L.L.P. as the District's independent auditors.

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 auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' 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, generally 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, veterans' services, and job placement.



The Alamo Colleges include two Hispanic-Serving Institutions, one of the nation's only institutions that is both a Historically Black College and a Hispanic-Serving Institution, the nation's third largest producer of Hispanic nurses, and 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

Alamo Colleges is located in the unique River City of San Antonio, Texas with a dynamic multi-cultural and diverse population. San Antonio, the nation's seventh-largest city, has an active economy rapidly expanding from traditional military and service sectors into telecommunications, biomedical science, and information technology and data security. Its inland rail-port is a fast-growing trans-shipment point for trade between China and the U. S. through Mexico's Pacific coast. Its three major museums, local theater companies and several large venues draw national touring shows and events in art, theater and music. A moderate cost-of-living assures attractive options for home ownership, and the recent economic downturn has not had as severe a negative impact on San Antonio and Texas as it has on much of the rest of the nation.

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. A performance-based budget is developed and approved by the Board of Trustees annually. An integrated planning model is used to strengthen the connection between the strategic plan, related action plans and the budget.



Cash Management

The Board retains ultimate responsibility as fiduciaries of the assets of the District. The Associate Vice Chancellor for 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

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 enrollment/billing, and financial aid. The new ERP system will provide innovative information systems to students, faculty, staff, and the community in support of Alamo Colleges' long-term mission of ensuring student success.





Capital Improvement Program. In November 2005, Bexar County citizens approved a \$450 million bond package to construct new Alamo College facilities and renovate existing buildings in order to accommodate student growth. Nearly four years later, the result is 24 new buildings totaling approximately 1.3 million square feet, plus numerous renovations, are the results of the bond issue. The money funded improvements at the District's four colleges, a new College in northeast San Antonio and information

technology improvements. The bond issue was overseen by a Citizens' Bond Oversight Committee established to ensure that planned bond expenditures were approved and carried out in accordance with Board recommendations and taxpayer intent. A 2009 snapshot shows construction completed on time and under budget.

Awards and Acknowledgements

The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report (CAFR). 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 both accounting standards generally accepted in the United States of America and applicable legal requirements. We believe this report conforms to the Certificate of Achievement requirements, and we are submitting it to the GFOA for consideration of this award.

We wish to thank 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' Finance and Administration staff.

James N. McLaughlin
Vice Chancellor for
Finance and Administration

Diane E. Snyder, CPA
Associate Vice Chancellor for
Finance and Fiscal Services

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

**PRINCIPAL OFFICIALS
August 31, 2009**

ELECTED OFFICIALS

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Chairperson of the Board	Denver McClendon	2010
Vice-Chairperson of the Board	Gary Beitzel	2014
Secretary of the Board	Marcelo S. Casillas	2014
Assistant Secretary of the Board	Anna U. Bustamante	2010
Member of the Board	Dr. Bernard K. Weiner	2010
Member of the Board	*Blakely Latham Fernandez	2010
Member of the Board	Dr. Gene Sprague	2012
Member of the Board	Roberto Zárate	2012
Member of the Board	James A. Rindfuss	2014

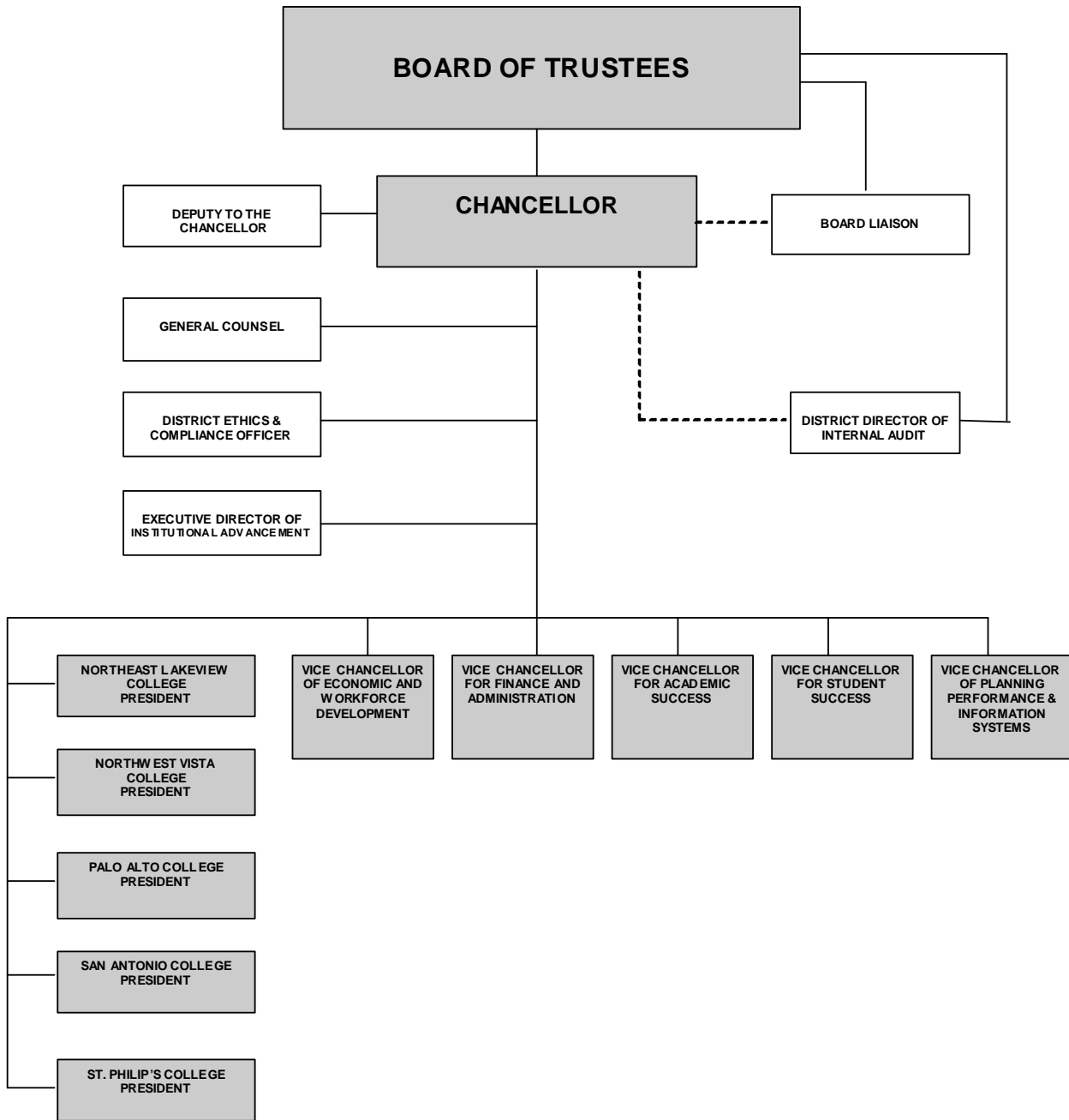
*Appointed by the Board until next election in 2010 due to the retirement of Charles J. Connor.

ADMINISTRATIVE OFFICIALS

Dr. Bruce H. Leslie	Chancellor
James N. McLaughlin	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 Aguero	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
James 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. Robert Zeigler	President, San Antonio College
Dr. Adena Loston	President, St. Philip's College
Leo Zuniga	Associate Vice Chancellor of Communications
Carol Riley, CPA	District Ethics and Compliance Officer
Diane E. Snyder, CPA	Associate Vice Chancellor for Finance and Fiscal Services
Pamela Ansboury, CPA, M.Ed	District Comptroller - General Accounting
Gloria Juarez, CPA	District Comptroller - Disbursements & Construction
Patricia M. Major, CPA, CIA, CGAP	District Director of Internal Audit



Organizational Chart





A L A M O
C O L L E G E S

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.



ALAMO
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Financial Section



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Padgett Stratemann & Co. LLP

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

Independent Auditors' Report

To the Board of Trustees
Alamo Community College District
San Antonio, Texas

We have audited the accompanying statements of net assets of Alamo Community College District (the "District") as of August 31, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

SAN ANTONIO • AUSTIN

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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 basic financial statements. The supplementary information, schedules required by the Texas Higher Education Coordinating Board, as listed in the accompanying table of contents under supplementary data, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Federal and State Awards are presented for purposes of additional analysis. The Schedule of Federal Awards is required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the Schedule of State Awards is required by the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular*. The schedules are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section, 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 it.

Padgett, Stratmann & Co., L.L.P.

Certified Public Accountants
December 1, 2009

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

The information contained in this discussion and analyzes introduces the basic financial statements and provides an analytical overview of the Alamo Community College District's (ACCD; Alamo Colleges; District) financial activities and performance for the fiscal year ended August 31, 2009. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

Financial Highlights for 2009

- The District's net assets at August 31, 2009 are reported at \$273.9 million. Approximately 66.3% of the net assets amount reflects the investment in capital assets net of related debt.
- The District's operating loss is \$265.1 million.
- Net assets decreased (\$4.6) million.
- Total liabilities decreased (\$57.1) million.
- The District received an upgrade of its general obligation debt rating from AA to AA+ by Standard and Poor's and from Aa2 to Aa1 from Moody's Investors Services.

The District's financial report is prepared in accordance with Governmental Accounting Standards Board (GASB) principles and includes three financial statements; the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows.

Statements of Net Assets

The Statements of Net Assets represent the District's financial position at the end of the fiscal year and include all assets and liabilities of the District. The difference between assets and liabilities is net assets and is one factor in assessing the District's financial position. The change in net assets is an indicator of whether its financial condition is improving or deteriorating.

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.

The District's net assets (assets less liabilities) decreased by 1.7% or \$4.6 million during Fiscal Year 2009, caused primarily by increases in salary and benefit-related costs and operating costs of new facilities. Total assets decreased by 6% or \$61.7 million during Fiscal Year 2009, due to decreases in cash and cash equivalents which were used to reduce liabilities. Total liabilities decreased 7.7% or \$57.1 million between Fiscal Years 2009 and 2008. Current liabilities consisting primarily of trade accounts, accrued payroll, deposits and other liabilities, represent 97% or \$55.6 million of the decrease. Investments decreased \$146.3 million and related to the use of bond proceeds on approved construction projects. Capital assets increased by \$176.0 million from \$676.6 million in Fiscal Year 2008 to \$852.6 million in Fiscal Year 2009 attributed to building and equipping an additional 748,400 in gross square footage. Total assets increased by 14.4% or \$128.9 million during Fiscal Year 2008. The major changes in assets for Fiscal Year 2008 were the increases in cash and cash equivalents, \$71.7 million, net

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

capital assets, \$253.4 million, and a decrease in investments of \$188 million. These changes are associated with construction related to the \$450 million voter-approved bond program.

Condensed Schedule of Net Assets (in millions)

	Fiscal Year			Change	
	2009	2008	2007	2008 to 2009	2007 to 2008
Assets					
Cash and cash equivalents	\$ 169.0	\$ 242.8	\$ 171.1	\$ (73.8)	\$ 71.7
Accounts receivable & notes receivable, net	10.4	8.4	13.2	2.0	(4.8)
Investments	66.1	212.4	400.4	(146.3)	(188.0)
Endowment investments	9.8	13.4	15.1	(3.6)	(1.7)
Deferred charges and other	7.2	8.1	7.4	(0.9)	0.7
Capital Assets	852.6	676.6	412.8	176.0	263.8
Accumulated Depreciation	(152.3)	(137.2)	(126.8)	(15.1)	(10.4)
Total assets	<u>962.8</u>	<u>1,024.5</u>	<u>893.2</u>	<u>(61.7)</u>	<u>131.3</u>
Liabilities					
Current liabilities	66.4	122.0	89.2	(55.6)	32.8
Noncurrent liabilities	622.5	624.0	557.7	(1.5)	66.3
Total liabilities	<u>688.9</u>	<u>746.0</u>	<u>646.9</u>	<u>(57.1)</u>	<u>99.1</u>
Net assets					
Invested in capital assets, net of related debt	181.6	172.4	155.7	9.2	16.7
Restricted: nonexpendable	-	1.3	1.3	(1.3)	-
expendable	10.3	13.2	7.0	(2.9)	6.2
Unrestricted	82.0	91.6	82.3	(9.6)	9.3
Total net assets	<u>\$ 273.9</u>	<u>\$ 278.5</u>	<u>\$ 246.3</u>	<u>\$ (4.6)</u>	<u>\$ 32.2</u>

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. Operating revenues are generated from the services provided to students and other customers of the District. Operating expenses are incurred in the production of the goods and services which result in operating revenues. The utilization of long-lived assets is included in operating expenses as depreciation and amortization, which amortizes the cost of an asset over its expected useful life. All other activity is classified as non-operating revenues, expenses, gains and losses. Since 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 before taking into account other support.

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.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

A summarized comparison of the District's revenues, expenses and changes in net assets for the years ended August 31, 2009, 2008 and 2007 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2009	2008	2007	2008 to 2009	2007 to 2008
Operating revenues (see detail below)	\$ 86.3	\$ 82.7	\$ 76.9	\$ 3.6	\$ 5.8
Operating expenses (see detail below)	351.4	301.7	277.8	49.7	23.9
Operating loss	<u>(265.1)</u>	<u>(219.0)</u>	<u>(200.9)</u>	<u>(46.1)</u>	<u>(18.1)</u>
Non-operating revenues (expenses):					
State appropriations	87.9	87.3	83.5	0.6	3.8
Ad valorem taxes	131.8	118.4	103.8	13.4	14.6
Federal grants, non-operating	82.5	62.5	56.7	20.0	5.8
Investment income	6.3	22.5	19.6	(16.2)	2.9
Interest on capital-related debt	(28.8)	(29.5)	(15.0)	0.7	(14.5)
Other non-operating revenues (expenses)	<u>(17.9)</u>	<u>(10.5)</u>	<u>(2.5)</u>	<u>(7.4)</u>	<u>(8.0)</u>
Income before other revenues, expenses gains and losses	(3.3)	31.7	45.2	(35.0)	(13.5)
Capital contributions and additions to permanent endowments	<u>(1.2)</u>	<u>0.5</u>	<u>0.3</u>	<u>(1.7)</u>	<u>0.2</u>
Increase (decrease) in net assets	(4.5)	32.2	45.5	(36.7)	(13.3)
Net assets - beginning of year	278.4	246.3	200.8	32.1	45.5
Net assets - end of year	<u>\$ 273.9</u>	<u>\$ 278.5</u>	<u>\$ 246.3</u>	<u>\$ (4.6)</u>	<u>\$ 32.2</u>

Operating Revenues (in millions)

	2009		2008		2007		Change 2008 to 2009	Change 2007 to 2008
	Amount	% of Total	Amount	% of Total	Amount	% of Total		
Net tuition and fees	\$ 51.1	59.2%	\$ 52.8	63.8%	\$ 49.2	64.0%	\$ (1.7)	\$ 3.6
Grants and contracts	28.6	33.1%	23	27.8%	21.6	28.1%	5.6	1.4
Auxiliary enterprises	4.3	5.0%	4.2	5.1%	3.8	4.9%	0.1	0.4
Other operating revenues	2.3	2.7%	2.7	3.3%	2.3	3.0%	-0.4	0.4
Total operating revenues	<u>\$ 86.3</u>	<u>100.0%</u>	<u>\$ 82.7</u>	<u>100.0%</u>	<u>\$ 76.9</u>	<u>100.0%</u>	<u>\$ 3.6</u>	<u>\$ 5.8</u>

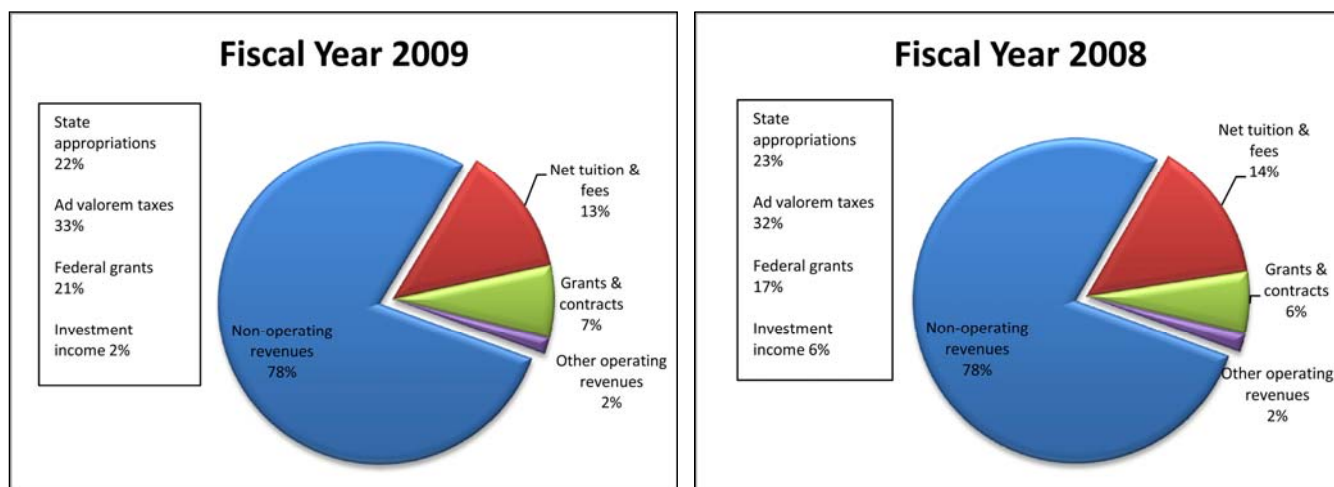
Key factors influencing operating revenues:

- Net tuition and fees revenue decreased (\$1.7) million in Fiscal Year 2009. While enrollment increased 7.3% to 36,668 full-time student equivalents and in-district tuition and fee rates for 12 hours increased 4.2% to \$745, exemption discounts increased 16.7% or \$1.9 million. In Fiscal Year 2008 full-time student equivalents increased 2.2% to 34,173, and in-district tuition and fee rates for 12 hours increased 4.7% to \$715.

ALAMO COMMUNITY COLLEGE DISTRICT

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

- Operating grants and contracts exclude federal aid grants now reported under non-operating revenues. Grants and contracts increased \$5.6 million in Fiscal Year 2009 of which \$4.2 million was due to Title III grant for renovations and \$1 million increase in state grants. Grants and contracts increased \$1.4 million in Fiscal Year 2008 of which \$1.2 million was due to increases in state grants.



Operating expenses are presented below in both a natural and a functional classification (see Schedule B for detail on the relationship between the two classifications):

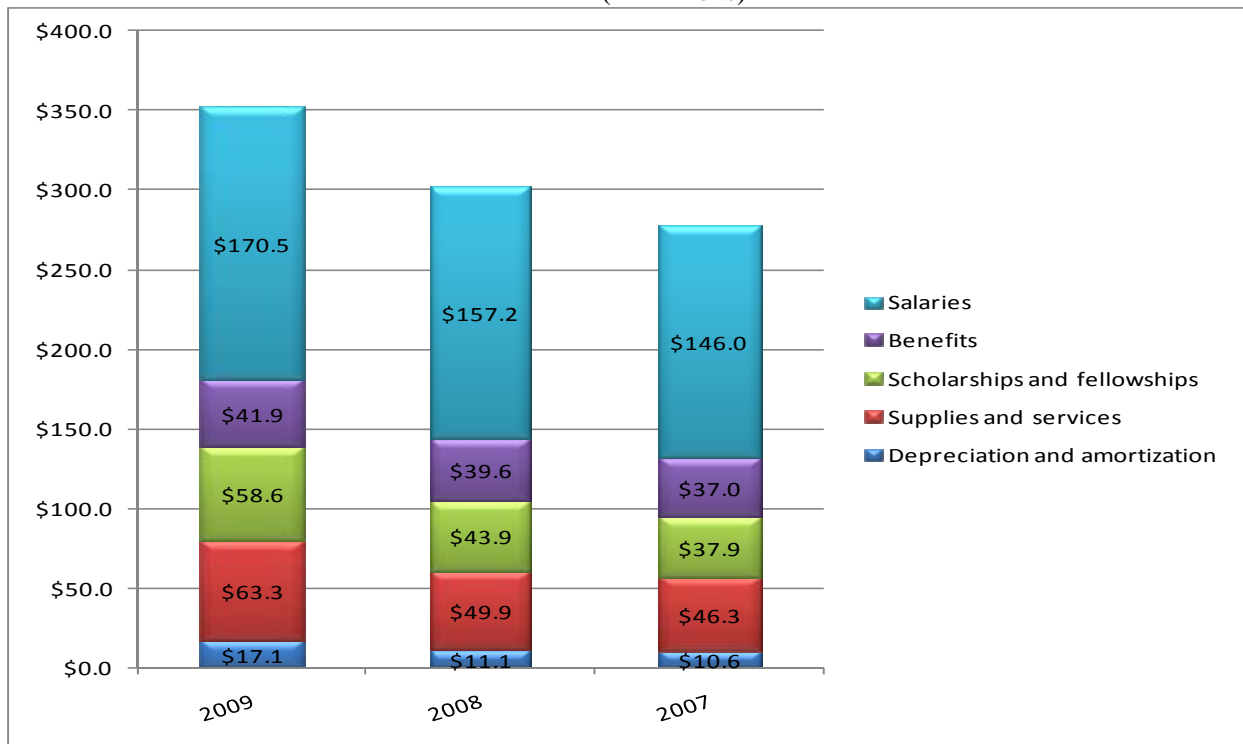
**Operating Expenses
Natural Classification
(in millions)**

	Fiscal Year			Change	
	2009	2008	2007	2008 to 2009	2007 to 2008
Salaries	\$ 170.5	\$ 157.2	\$ 146.0	\$ 13.3	\$ 11.2
Benefits	41.9	39.6	37.0	2.3	2.6
Scholarships and fellowships	58.6	43.9	37.9	14.7	6.0
Supplies and services	63.3	49.9	46.3	13.4	3.6
Depreciation	17.1	11.1	10.6	6.0	0.5
Total operating expenses	\$ 351.4	\$ 301.7	\$ 277.8	\$ 49.7	\$ 23.9

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Operating Expenses (continued) Natural Classification (in millions)



Factors influencing operating expenses by natural classification include the following:

- Salaries and benefits costs increased \$15.6 million and \$13.8 million for Fiscal Years 2009 and 2008, respectively. In Fiscal Years 2009 and 2008, the faculty and administrative infrastructures of Northeast Lakeview and Northwest Vista Colleges continued to grow, and the District strengthened its administrative structure. Currently, faculty stands at 1,049, and full-time staff and administration stands at 1,823. There was an increase of 25 full-time faculty positions, 92 part-time faculty positions, and 43 part-time staff and administrative positions. In Fiscal Year 2008, salary increases of 3 to 4.5% were approved. These increases were offset by reductions in the number of full-time faculty and full-time staff/administration positions of 28, and 51 positions, respectively.
- Scholarship expense reflects the amount disbursed to a student after a scholarship award is credited to the student's accounts in payment of tuition and fees. Scholarship expense increased for Fiscal Years 2009, 2008 and 2007 as more funds were available and more financial aid was disbursed to the students.
- Depreciation and amortization expense increased \$6 million between Fiscal Years 2008 and 2009, primarily as a result of depreciation associated with the new buildings in Fiscal Year 2008. The first full year of depreciation expense for the buildings completed in Fiscal Year 2008 would be in Fiscal Year 2009.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

- Expenses for supplies and services increased in order to support instruction and the needs of the colleges and the institution as a whole, including a 43% increase in utilities expense related to major buildings completed in Fiscal Years 2009 and 2008. Other significant items are detailed under Institutional Support in the next section.

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

	Fiscal Year			Change	
	2009	2008	2007	2008 to 2009	2007 to 2008
Instruction	\$ 130.8	\$ 123.6	\$ 116.6	\$ 7.2	\$ 7.0
Public service	0.6	0.6	0.9	-	(0.3)
Academic support	25.1	21.3	19.7	3.8	1.6
Student services	32.0	31.9	30.3	0.1	1.6
Institutional support	55.0	46.6	40.1	8.4	6.5
Operation and maintenance of plant	29.8	20.4	19.5	9.4	0.9
Depreciation	17.1	11.1	10.6	6.0	0.5
Scholarships and fellowships	58.6	43.9	37.9	14.7	6.0
Total educational and general	349.0	299.4	275.6	49.6	23.8
Auxiliary enterprises	2.4	2.3	2.2	0.1	0.1
Total operating expenses	\$ 351.4	\$ 301.7	\$ 277.8	\$ 49.7	\$ 23.9

Factors influencing operating expenses by functional classification include the following:

- Instruction increased \$7.2 and \$7.0 million in Fiscal Year 2009 and Fiscal Year 2008, respectively, due to growth in enrollment at Northeast Lakeview College (34.2%) and Northwest Vista College (14.1%) and a stable enrollment at San Antonio College, St. Philip's College, and Palo Alto College.
- Public service and academic support grew \$3.8 million in Fiscal Year 2009 and \$1.3 million in Fiscal Year 2008. The main increases in 2009 occurred in San Antonio College (\$0.9 million), St Philip's College (\$1.8 million) and Northeast Lakeview College (\$0.7 million). In 2008, the \$1.3 million increase in Fiscal Year 2008 was due to the establishment of the Northeast Lakeview College's Learning Resource Center.
- Student services increased slightly for Fiscal Year 2009 and 2008. In 2009 and 2008, Student services increased due to the opening of Northeast Lakeview College and District-wide student activity fees specifically designated for student services.
- Institutional support increased in \$8.4 and \$6.5 million, for Fiscal Years 2009 and 2008, respectively, due to strengthening of administrative structures, software and software maintenance expenses, and increase in public relations/marketing expenses.

ALAMO COMMUNITY COLLEGE DISTRICT

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

- Scholarships and Depreciation and Amortization: See Schedule B -- Schedule of Operating Expenses by Object (natural and functional classifications).

The District will continue to face significant financial pressure, particularly in the areas of compensation and benefits, which represent 60.4% of total expenses, as well as in the areas of technology and utility costs. Additionally, decisions will need to be made as a result of the facilities assessment study that identified numerous and substantial preventive maintenance needs. To manage this financial pressure, the District evaluated many program revenues and implemented cost containment measures.

Statements of Cash Flows

The Statements of Cash Flows provides information about the cash receipts and cash payments of an entity during a period (the change in cash and cash equivalents as shown in the Statements of Net Assets). The Statements of Cash Flows also helps users to determine (1) the entity's ability to meet its obligations as they come due and (2) the need for external financing. These statements present information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities. For additional detail concerning these classifications, see the Statements of Cash Flows.

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions, and changes in accumulated depreciation and amortization. The District had \$700.3 million and \$539.4 million invested in capital assets at August 31, 2009 and 2008, respectively, net of accumulated depreciation and amortization of \$152.3 million and \$137.2 million. Depreciation and amortization charges totaled \$17.1 million and \$11.1 million in Fiscal Year 2009 and Fiscal Year 2008, respectively (see Schedule B – Schedule of Operating Expenses by Object). Details of these assets for Fiscal Years 2009, 2008 and 2007 are shown below.

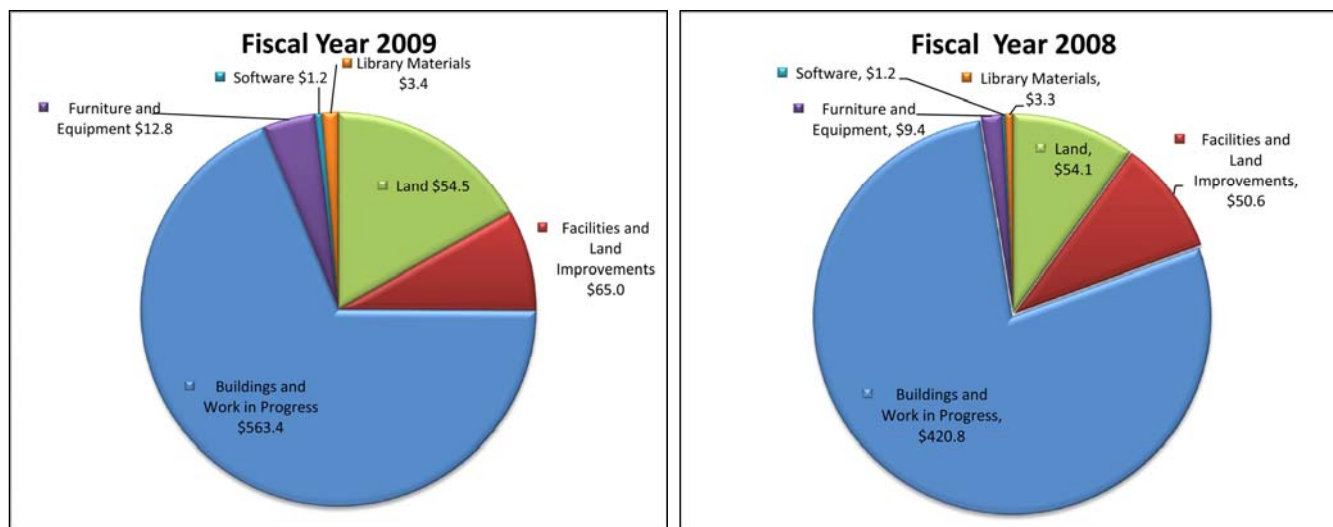
Capital Assets, Net, at Year End
(in millions)

	Fiscal Year			Change	
	2009	2008	2007	2008 to 2009	2007 to 2008
Land	\$ 54.5	\$ 54.0	\$ 47.6	\$ 0.5	\$ 6.4
Facility and land improvements	65.0	50.7	17.5	14.3	33.2
Buildings and work in progress	563.4	420.8	207.6	142.6	213.2
Furniture and equipment	12.8	9.4	8.7	3.4	0.7
Software	1.2	1.2	1.6	-	(0.4)
Library materials	3.4	3.3	3.0	0.1	0.3
Total capital assets, net	<u>\$ 700.3</u>	<u>\$ 539.4</u>	<u>\$ 286.0</u>	<u>\$ 160.9</u>	<u>\$ 253.4</u>

ALAMO COMMUNITY COLLEGE DISTRICT

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

**Capital Assets, Net, at Year End (Continued)
(in millions)**



Major capital additions completed or in progress during Fiscal Years 2009 and 2008 included:

Fiscal Year 2009		Square footage (in thousands)
▪ San Antonio College First Responders Academy	\$ 3.7 million	25.9
▪ St. Philip's College LRC/Welcome/Allied Health Center	56.2 million	219.8
▪ Southwest Campus Diesel Lab	4.5 million	20.9
▪ Palo Alto College Palomino & One Stop Center	13.2 million	72.0
▪ Northwest Vista College Commons Building	11.8 million	56.8
▪ Northwest Vista College Academic Learning Center II	15.5 million	85.8
▪ Northwest Vista College Theatre and Fine Arts Center	18.6 million	60.5
▪ Northeast Lakeview College Commons Building	15.3 million	64.2
▪ Northeast Lakeview College Library	22.7 million	82.6
▪ Northeast Lakeview College Performing Arts	11.2 million	22.3
▪ Northeast Lakeview College Wellness Center	9.1 million	37.6

Fiscal Year 2008		Square footage (in thousands)
▪ District Land Purchase	\$ 3.7 million	n/a
▪ San Antonio College Land Purchase	1.7 million	n/a
▪ San Antonio College Nursing and Academic Complex	43.9 million	201.1
▪ San Antonio College Parking Garage	16.2 million	394.9
▪ Palo Alto College Science/Performance	6.4 million	15.9
▪ Northeast Lakeview College Academic/Career Tech	9.7 million	86.5

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

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 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, 2009 and 2008, the District was committed for approximately \$72 million, and \$169 million, respectively. For additional information concerning the District's capital assets, see Note 5 to the basic financial statements.

Debt

The District had \$598.6 million and \$623.3 million in outstanding debt at August 31, 2009 and 2008, respectively. Outstanding debt decreased by \$24.7 million and increased by \$72.6 million in Fiscal Years 2009 and 2008, respectively. The table below summarizes these amounts by type of debt instrument.

Outstanding Debt at Year End (in millions)

	Fiscal Year			Change	
	2009	2008	2007	2008 to 2009	2007 to 2008
General obligation bonds	\$ 419.3	\$ 430.4	\$ 435.8	\$ (11.1)	\$ (5.4)
Revenue bonds	72.9	76.2	74.3	(3.3)	1.9
Notes payable	0.2	0.7	1.2	(0.5)	(0.5)
Tax notes	106.2	116.0	39.4	(9.8)	76.6
Total outstanding debt	\$ 598.6	\$ 623.3	\$ 550.7	\$ (24.7)	\$ 72.6

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 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 fee, pledged tuition, pledged auxiliary revenue, and general fund investment income. Notes payable obligations are paid from operating funds. There were no bonds or tax notes issued in 2009.

The District's bond ratings for the District's general obligation bonds were upgraded from AA to AA+ by Standard & Poor's and from Aa2 to Aa1 by Moody's Investor Services. The reasons cited for the upgrade by the rating agencies 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 Services remained at "Aa3" and "AA-", respectively. More detailed information about the District's long-term liabilities is presented in Notes 6 and 7 to the basic financial statements.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

FACTORS HAVING PROBABLE FUTURE FINANCIAL SIGNIFICANCE

The District's tax base has experienced a 12% average growth rate over the past five years, reaching over \$99 billion this fiscal year. New construction of \$3.4 billion helped offset the declines in existing property values in the most recent tax year, yielding an increase in net growth of 0.8% for the upcoming Fiscal Year 2010. With the flattening of the tax base, additional loss in tax revenues could result from potential tax increment financing projects, exemptions and tax freezes for senior and disabled citizens. The tax freezes may impact revenues as much as \$6.9 million to \$12.9 million during the next five years. Tax collection rates remain strong at 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, Bexar and surrounding counties and the City of San Antonio. Unemployment for the nation stands at 10.2%, while Texas and the city of San Antonio are at 8.2% and 7.1%, respectively. The Federal Reserve Bank of Dallas, in its Metro Business-Cycle Index for San Antonio, indicated the local economy had declined (4.8%) from August 2008 to August 2009. In the same period last year the economy grew 2.5%.

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 COMMUNITY COLLEGE DISTRICT
EXHIBIT 1**

**Statements of Net Assets
August 31, 2009 and 2008**

	2009	2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 43,001,075	\$ 100,742,994
Investments	53,102,778	16,946,530
Accounts receivable, net of allowance for doubtful accounts of \$5,911,845 and \$5,557,785 at 8/31/09 and 8/31/08	10,218,623	8,247,681
Notes receivable, net of allowance for doubtful accounts of \$133,237 and \$143,898 at 8/31/09 and 8/31/08	193,089	170,640
Other assets	333,047	736,760
Restricted cash and cash equivalents	47,472,797	64,853,943
Total current assets	154,321,409	191,698,548
Noncurrent assets:		
Restricted cash and cash equivalents	78,527,741	77,236,658
Endowment investments	9,831,280	13,390,136
Other investments	12,969,875	195,421,813
Unamortized debt issuance costs (net)	6,828,870	7,362,523
Capital assets (net)	700,271,705	539,447,698
Total noncurrent assets	808,429,471	832,858,828
TOTAL ASSETS	962,750,880	1,024,557,376
LIABILITIES		
Current liabilities:		
Accounts payable	8,625,498	35,302,322
Accrued liabilities	20,281,969	30,546,778
Funds held for others	506,910	375,091
Deferred revenues	36,944,032	32,006,960
Current portion of long-term liabilities	20,069,799	23,628,388
Total current liabilities	86,428,208	121,859,539
Noncurrent liabilities	602,465,274	624,263,311
TOTAL LIABILITIES	688,893,482	746,122,850
NET ASSETS		
Invested in capital assets, net of related debt	181,568,975	172,395,461
Restricted for:		
Nonexpendable		
Student aid	-	1,292,568
Instructional programs	-	6,000
Expendable		
Student aid	3,487,977	3,028,552
Instructional programs	1,124,340	636,691
Capital projects	1,549,177	1,088,627
Debt service	4,094,258	8,430,656
Unrestricted	82,032,671	91,555,971
TOTAL NET ASSETS (Schedule D)	\$ 273,857,398	\$ 278,434,526

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
August 31, 2009 and 2008**

	2009	2008
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$43,713,922 and \$34,943,131, respectively)	\$ 51,114,954	\$ 52,796,547
Federal grants and contracts	17,250,163	14,206,221
State grants and contracts	8,097,385	7,195,598
Local grants and contracts	1,007,362	1,117,289
Non-governmental grants and contracts	2,221,447	483,217
Investment income - program restricted	19,272	157,634
Auxiliary enterprises	4,265,296	4,235,520
Other operating revenues	2,325,174	2,495,852
Total operating revenues (Schedule A)	86,301,053	82,687,878
OPERATING EXPENSES:		
Instruction	130,795,059	123,625,190
Public service	608,927	591,068
Academic support	25,130,924	21,272,764
Student services	32,011,515	31,937,293
Institutional support	54,950,688	46,670,775
Operation and maintenance of plant	29,806,622	20,380,567
Scholarships and fellowships	58,582,472	43,887,182
Auxiliary enterprises	2,449,411	2,311,971
Depreciation and amortization	17,043,838	11,072,020
Total operating expenses (Schedule B)	351,379,456	301,748,830
Operating loss	(265,078,403)	(219,060,952)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	87,947,041	87,317,846
Ad valorem taxes		
Taxes for maintenance and operations	88,412,612	79,277,313
Taxes for general obligation bonds	43,403,022	39,164,358
Federal grants, non-operating	82,534,453	62,542,264
Gifts	600,912	140,874
Investment income	6,293,122	22,533,428
Interest on capital related debt	(28,841,883)	(29,550,614)
Other non-operating revenues/(expenses)	(18,575,771)	(10,751,687)
Net non-operating revenues (Schedule C)	261,773,508	250,673,782
Income (loss) before other revenues (expenses)	(3,304,895)	31,612,830
OTHER REVENUES AND EXPENSES:		
Capital grants and gifts	249,000	549,306
Transfer of funds to ACCD foundation	(1,521,233)	-
Total other revenues and expenses	(1,272,233)	549,306
Increase (decrease) in net assets	(4,577,128)	32,162,136
NET ASSETS:		
Net assets - beginning of year	278,434,526	246,272,390
Net assets - end of year	\$ 273,857,398	\$ 278,434,526

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
August 31, 2009 and 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 60,198,379	\$ 60,162,095
Receipts from grants and contracts	28,603,974	23,742,529
Collection of loans to students	76,702	75,423
Other receipts	2,326,645	3,185,707
Payments to or on behalf of employees	(204,647,964)	(177,375,758)
Payments to suppliers for goods and services	(73,169,766)	(46,106,616)
Payments for scholarships and fellowships	(58,582,472)	(43,887,182)
Payment for loans to students	(99,151)	(146,062)
Net cash provided (used) by operating activities	(245,293,653)	(180,349,864)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	80,032,053	67,846,696
Receipts from ad valorem taxes	88,190,034	79,117,513
Receipts from non-operating federal revenue	79,867,829	63,987,815
Receipts (payments) from gifts and grants (other than capital)	(920,321)	140,874
Receipts (payments) to student organizations and other agency transactions	131,819	(342)
Net cash provided (used) by noncapital financing activities	247,301,414	211,092,556
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	-	86,260,000
Bond issuance costs	-	253,456
Receipts from ad valorem taxes for debt service	43,331,033	39,226,584
Receipts from capital grant contracts, grants and gifts	249,000	49,000
Payments for capital assets acquisition and construction of capital assets	(222,559,878)	(250,255,887)
Payments on capital debt - principal	(24,713,788)	(13,640,591)
Payments on capital debt - interest	(28,658,909)	(34,306,334)
Net cash provided (used) by capital and related financing activities	(232,352,542)	(172,413,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	221,090,271	258,812,545
Interest on investments	6,658,253	23,640,304
Purchase of investments	(71,235,725)	(69,092,028)
Net cash provided (used) by investing activities	156,512,799	213,360,821
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(73,831,982)	71,689,741
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	242,833,595	171,143,854
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 169,001,613	\$ 242,833,595

(continued)

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
August 31, 2009 and 2008
(continued)**

	2009	2008
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (265,078,403)	\$ (219,060,952)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	17,043,838	11,072,020
Allowance for doubtful accounts	734,245	739,569
Non-cash state appropriations - on-behalf payments	7,914,988	19,471,150
Changes in assets and liabilities:		
Receivables (net)	(109,127)	1,653,128
Other assets	403,713	(149,313)
Accounts payable	(11,646,703)	3,409,359
Deferred revenue	4,913,261	2,677,896
Compensable absences	263,980	473,970
Workers' compensation accrual	246,508	96,651
Early retirement liability	-	(367,890)
Utility escrow	42,496	(294,813)
Loans to students	(22,449)	(70,639)
Net cash used by operating activities	\$ (245,293,653)	\$ (180,349,864)
 SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Decrease in fair value of investments	(527,000)	(1,522,953)
Gifts of depreciable and non-depreciable assets	-	500,306
Increase (decrease) in rebatable arbitrage liability	(821,332)	1,129,374
Amortization of premium on bonds	607,817	602,666
Amortization of prepaid debt issuance costs	533,655	577,929
Amortization of loss on bond refundings	292,087	292,087

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

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

The Alamo Community College District (ACCD; 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.

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*. 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 also awards scholarships to qualifying students. When these funds are used for tuition and fees, the awards are recorded as tuition discount. State funds received by the District for scholarship awards to students are recorded as revenue, and as tuition discount when used by the student for tuition and fees. When these awards are used for purposes other than tuition and fees, the amounts are recorded as scholarship expense.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting

The financial statements include Statements of Net Assets; Statements of Revenues, Expenses, and Changes in Net Assets; and Statements of Cash Flows.

The Statements of Net Assets provide information about the assets, liabilities, and net assets of the District at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external donor restrictions or availability of assets to satisfy District obligations. Invested in capital assets, net of related debt represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Nonexpendable restricted net assets include gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net assets represent grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net assets include all other net assets, including those that have been designated by management to be used for other than general operating purposes.

The Statements of Revenues, Expenses, and Changes in Net Assets provide information about the District's financial activities during the year. Revenues and expenses are classified as either operating or non-operating, and all changes in net assets are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition and sales of auxiliary services are considered to be operating revenues. Other revenues, such as property taxes, state appropriations, and educational grants, are not generated from exchange transactions and are considered to be non-operating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be non-operating expenses.

The Statements of Cash Flows provide information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital and related financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and qualifying expenditures incurred.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

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, 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

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. Restricted cash and cash equivalents reserved for payment of restricted current liabilities are presented separately as current assets.

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 Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value based on market rates.

Unamortized Debt Issuance Costs

Unamortized debt issuance costs charges are expenses paid in advance that pertain to subsequent fiscal years, and are amortized over the life of the issue using the straight-line method. Unrestricted deferred charges, such as exemptions, have been netted against deferred revenues. Restricted charges where all obligations have been fulfilled are treated as expenses in the period incurred.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are recorded at cost on the date of acquisition. Donated capital assets are stated at estimated fair market value at the date of donation. Library books, regardless of cost, and items of equipment and software with an individual cost of \$5,000, or more and an estimated useful life in excess of one year or more are capitalized. Infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value or extend the life of the asset are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets using the following conventions: (1) full-year following the year of purchase or substantial completion, generally 40 years for buildings, 20 years for facility and other land improvements, 5 years for software, and 15 years for library books; and (2) prorated for the first year based on month placed in service, 3 to 10 years for machinery, vehicles and other equipment.

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 associated with the borrowings that the District has entered into for the acquisition of assets.

These standards require that the interest cost offset by interest earnings on the related construction proceeds be capitalized as a part of each 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 tuition, fees, and other revenues received, related to the period after each fiscal year has been deferred. Restricted revenues are recognized when the expenses have occurred and all obligations have been fulfilled for the recording of those expenses.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-operating Revenues

The District distinguishes operating and non-operating revenues. The District reports as a Business-Type Activity (BTA) and as a single, proprietary fund. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are student tuition and fees net of scholarship discounts and allowances; federal 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. Following the GASB implementation guide, starting with Fiscal Year 2009, 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.

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 towards unrestricted resources, and then towards 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, Nonexpendable: These are net assets, such as endowment and similar type funds, which are subject to externally-imposed stipulations that they be maintained permanently by the District.

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 have been reclassified in order to be consistent with the current year's presentation.

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 (Chapter 2256, 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.

4. DEPOSITS AND INVESTMENTS

The carrying amount of the District's deposits at August 31, 2009 and 2008 was \$28,745,438 and \$23,724,536, respectively. Total bank balances at August 31, 2009 and 2008 equaled \$41,739,727 and \$32,524,963, respectively. FDIC insures all of the District's noninterest-bearing bank deposits.

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (Continued)

Cash and Cash Equivalents as reported on Exhibit 1, Statements of Net Assets, consist of the items reported below:

	August 31,	
	2009	2008
Bank deposits: Demand deposits	\$ 6,135,638	\$ (91,716)
Money market	22,609,800	23,816,252
Total bank deposits	28,745,438	23,724,536
TexPool deposits	140,218,246	219,059,659
Petty cash on hand	37,929	49,400
Total cash and cash equivalents	\$ 169,001,613	\$ 242,833,595

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

TexPool 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, 2009, and 2008, 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 investment fund managers at Stralem & Company, Global Currents Investment Management, LLC, and at Sage Advisory Services, Ltd. Company.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (Continued)

Investments as reported on Exhibit 1, Statements of Net Assets, consist of the items reported below:

Type of Security	Fair Value at August 31,	
	2009	2008
Flex repurchase agreements	\$ 12,969,875	\$ 188,203,813
U.S. government securities:		
FHLB Coupon Notes	31,763,715	9,803,036
FNMA Coupon Notes	19,306,563	9,381,064
FHLMC Coupon Notes	2,032,500	2,989,170
FFCB Coupon Notes	-	1,991,260
Endowment funds:		
Corporate stock-common	5,500,131	9,947,139
Bonds/Mortgage-backed securities	3,802,150	2,791,396
Money market funds	528,999	651,601
Total	\$ 75,903,933	\$ 225,758,479

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statement of Net Assets:

	Fair Value August 31,	
	2009	2008
Total cash and cash equivalents	\$ 169,001,613	\$ 242,833,595
Total investments	75,903,933	225,758,479
Total	\$ 244,905,546	\$ 468,592,074
<i>Per Exhibit 1:</i>		
Cash and cash equivalents	\$ 43,001,075	\$ 100,742,994
Investments	53,102,778	16,946,530
Restricted cash and cash equivalents - Current	47,472,797	\$ 64,853,943
Restricted cash and cash equivalents - Noncurrent	78,527,741	77,236,658
Endowment investments	9,831,280	13,390,136
Other investments	12,969,875	195,421,813
Total	\$ 244,905,546	\$ 468,592,074

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

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (Continued)

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, 2009 and 2008:

Investment Type	2009		2008	
	Fair Value	Weighted Average Maturity (Years)	Fair Value	Weighted Average Maturity (Years)
Flex repurchase agreements	\$ 12,969,874	0.211	\$ 188,203,813	0.352
FNMA	19,306,563	1.328	9,381,064	0.031
FHLB	31,763,716	1.147	9,803,036	0.024
FHLMC	2,032,500	0.663	2,989,170	0.012
FFCB discount notes	-	0.000	1,991,260	0.012
TexPool	140,218,246	0.003	219,059,659	0.059
	<u>\$ 206,290,899</u>		<u>\$ 431,428,002</u>	
Portfolio weighted average maturity		0.323		0.490

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, 2009 and August 31, 2008 the District’s FHLB, 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.

Concentration of Credit Risk – The District’s endowment investment policy limits investments in that 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, 2009, the District had invested its non-endowment funds in TexPool (64.9%), in Flexible Repurchase Agreements (6.0%), in FHLB Coupon Notes (14.7%), and in FNMA Coupon Notes (8.9%). At August 31, 2008, the District had invested its non-endowment funds in Flexible Repurchase Agreements (43.6%) and in TexPool (50.8%).

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the 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 endowment investments of \$9,831,280 and \$13,390,136 as of August 31, 2009 and

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS (Continued)

2008, respectively are held by the investment's counterparty, not in the name of the District. The District does not limit the amount of endowment investments held by a counterparty not in the District's name.

The District Board of Trustees has established an endowment spending policy with the objectives of maintaining the purchasing power of the endowment funds while providing a reasonable, predictable, stable, and sustainable level of income to support current needs. A spending rate of 5% of the average of the three prior fiscal year-end market values has been established. If the market value of an individual endowment falls below the corpus value of that endowment, the spending policy will not apply.

5. CAPITAL ASSETS

For The Year Ended August 31, 2009:

	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
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NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

For The Year Ended August 31, 2008:

	Balance 9/1/2007	Increases	Decreases	Balance 8/31/2008
<u>Not depreciated:</u>				
Land	\$ 47,593,929	\$ 6,374,452	\$ -	\$ 53,968,381
Construction in progress	70,063,268	254,217,105	181,901,880	142,378,493
Subtotal	<u>117,657,197</u>	<u>260,591,557</u>	<u>181,901,880</u>	<u>196,346,874</u>
<u>Buildings and other capital assets:</u>				
Buildings and building improvements	213,794,496	146,362,940	-	360,157,436
Other real estate improvements	39,867,622	35,538,940	-	75,406,562
Total buildings and other real estate improvements	<u>253,662,118</u>	<u>181,901,880</u>	<u>-</u>	<u>435,563,998</u>
Software	2,212,657	61,597	-	2,274,254
Furniture, machinery, and equipment	23,490,662	3,656,057	810,077	26,336,642
Library books	15,778,401	658,269	303,473	16,133,197
Total buildings and other capital assets	<u>295,143,838</u>	<u>186,277,803</u>	<u>1,113,550</u>	<u>480,308,091</u>
<u>Accumulated depreciation and amortization:</u>				
Buildings and building improvements	76,282,791	5,425,021	-	81,707,812
Other real estate improvements	22,395,341	2,353,096	-	24,748,437
Total buildings and other real estate improvements	<u>98,678,132</u>	<u>7,778,117</u>	<u>-</u>	<u>106,456,249</u>
Software	577,830	442,531	-	1,020,361
Furniture, machinery, and equipment	14,767,180	2,511,705	391,345	16,887,540
Library books	12,806,922	339,667	303,472	12,843,117
Total accumulated depreciation	<u>126,830,064</u>	<u>11,072,020</u>	<u>694,817</u>	<u>137,207,267</u>
Net capital assets	<u>\$ 285,970,971</u>	<u>\$435,797,340</u>	<u>\$182,320,613</u>	<u>\$ 539,447,698</u>

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

6. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2009 was as follows:

	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
Deferred charges on refundings	(2,214,087)		(292,087)	(1,922,000)	(292,087)
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	-	-
Workers' compensation claims	528,754	1,046,304	799,796	775,262	775,262
Utility escrow	582,266	931,563	889,067	624,762	624,762
Accrued bond interest payable	2,415,230		34,949	2,380,281	2,380,281
Arbitrage liability	2,802,346		821,332	1,981,014	-
Total Noncurrent Liabilities	\$647,891,699	\$ 2,811,079	\$ 28,167,705	\$622,535,073	\$ 20,069,799

Noncurrent liability activity for the year ended August 31, 2008 was as follows:

	Balance 09/01/07	Additions	Reductions	Balance 08/31/08	Current Portion
Bonds and Tax Notes Payable:					
General obligation bonds	\$435,818,778		\$ 5,425,000	\$430,393,778	\$ 11,095,000
Revenue bonds	74,270,000	5,150,000	3,240,000	76,180,000	3,280,000
Tax notes	39,410,000	81,110,000	4,510,000	116,010,000	4,340,000
Premium on bonds payable	11,455,367	1,278,191	602,666	12,130,892	602,394
Deferred charges on refundings	(2,506,174)		(292,087)	(2,214,087)	(292,087)
Notes payable	1,156,496		465,591	690,905	483,788
Compensable absences	7,873,834	1,072,037	598,067	8,347,804	569,232
Early Retirement	367,890	5,566	373,456	-	-
Deferred revenues	95,240		71,429	23,811	23,811
Workers' compensation claims	432,103	811,278	714,627	528,754	528,754
Utility escrow	877,079	855,712	1,150,525	582,266	582,266
Accrued bond interest payable	7,307,179	237,621	5,129,570	2,415,230	2,415,230
Arbitrage liability	1,672,972	1,129,374	-	2,802,346	-
Total Noncurrent Liabilities	\$578,230,764	\$ 91,649,779	\$ 21,988,844	\$647,891,699	\$ 23,628,388

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

7. DEBT AND LEASE OBLIGATIONS

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

For The Year Ended August 31,	General Obligation		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
Total	\$ 419,299	\$337,025	\$ 72,900	\$ 30,832	\$ 106,155	\$ 52,412	\$ 598,354	\$ 420,269

Debt service requirements at August 31, 2008 were as follows (amounts in 000's):

For The Year Ended August 31,	General Obligation		Revenue Bonds		Maintenance Tax Notes		Total Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 11,095	\$ 20,076	\$ 3,280	\$ 3,388	\$ 4,340	\$ 5,395	\$ 18,715	\$ 28,859
2010	7,580	19,625	3,405	3,257	4,510	5,220	15,495	28,102
2011	7,599	19,640	3,560	3,105	4,695	5,041	15,854	27,786
2012	8,240	19,001	3,715	2,943	4,880	4,852	16,835	26,796
2013	8,625	18,606	3,885	2,772	5,095	4,638	17,605	26,016
2014-2118	49,995	86,194	20,480	11,149	29,220	19,438	99,695	116,781
2019-2023	63,735	72,453	24,285	6,078	33,440	11,819	121,460	90,350
2024-2028	80,410	55,777	11,365	1,349	29,830	2,868	121,605	59,994
2029-2033	100,750	35,438	2,205	179	-	-	102,955	35,617
2034-2037	92,365	10,292	-	-	-	-	92,365	10,292
Total	\$ 430,394	\$357,102	\$ 76,180	\$ 34,220	\$ 116,010	\$ 59,271	\$ 622,584	\$ 450,593

Rental payments of \$1,413,197 and \$951,582 under operating leases and rental agreements were included in operating expenses for the years ended August 31, 2009 and 2008, respectively.

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

8. BONDS AND TAX NOTES PAYABLE

	2009	2008
<p>General Obligation Refunding Bonds, Series 1998, issued to refund \$9,000,000 of Series 1992 General Obligation Bonds. Issued February 19, 1998 for \$9,387,590; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.</p>	\$ -	\$ 955,000
<p>Combined Fee Revenue and Refunding Bonds, Series 2001, issued to refund \$1,346,101 of Series 1985 Combined Fee Revenue Refunding Bonds and \$20,910,000 of Series 1994 Combined Fee Revenue Bonds; and to construct, renovate, and equip academic buildings and acquire sites. Issued September 19, 2001 for \$53,615,000; all authorized bonds have been issued. Source of revenue for debt service - pledged revenues including tuition, general fee, parking fee, bookstore and food service commissions and general fund investment income.</p>	27,360,000	28,845,000
<p>General Obligation Refunding Bonds, Series 2002, issued to refund \$2,000,000 of Series 1992 General Obligation Bonds. Issued August 15, 2002 for \$1,998,778; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.</p>	1,133,778	1,133,778
<p>General Obligation Refunding Bonds, Series 2002A, issued to refund \$25,605,000 of Series 1993 General Obligation Bonds. Issued December 12, 2002 for \$25,060,000; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.</p>	1,175,000	2,430,000
<p>Combined Fee Revenue and Refunding Bonds, Series 2003, issued to refund \$346,955 of Series 1985 Combined Fee Revenue Refunding Bonds and \$8,830,000 of Series 1994 Combined Fee Revenue Bonds; and to construct, renovate, and equip academic buildings and acquire sites. Issued September 23, 2003 for \$10,655,000; all authorized bonds have been issued. Source of revenue for debt service - Pledged revenues including tuition, general fee, parking fee, bookstore and food service commissions and general fund investment income.</p>	5,645,000	6,660,000
<p>Combined Fee Revenue Bonds, Series 2004, issued to purchase land, and to acquire construct, improve, enlarge, and equip District facilities. Issued August 11, 2004 for \$7,235,000; all authorized bonds have been issued. Source of revenue for debt service - Pledged revenues including tuition, general fee, parking fee, general fund investment income, bookstore and food service commissions.</p>	6,505,000	6,695,000

ALAMO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS

8. BONDS AND TAX NOTES PAYABLE (Continued)

	2009	2008
Maintenance Tax Notes, Series 2004 , issued to purchase equipment, vehicles and renovating various facilities. Issued August 11, 2004 for \$8,155,000; all authorized notes have been issued. Source of revenue for debt service – ad valorem taxes.	-	4,700,000
Maintenance Tax Notes, Series 2005 , issued to purchase equipment, vehicles and renovating various facilities. Issued September 20, 2005 for \$7,450,000; all authorized notes have been issued. Source of revenue for debt service – ad valorem taxes.	2,570,000	4,005,000
Combined Fee Revenue Bonds, Series 2005 , issued to purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued September 20, 2005 for \$2,435,000; all authorized bonds have been issued. Source of revenue for debt service - pledged revenues including tuition, general fee, parking fee, general fund investment income, bookstore and food service commissions.	1,980,000	2,140,000
Maintenance Tax Notes, Series 2006 , issued to purchase equipment, vehicles and renovating various facilities. Issued April 20, 2006 for \$30,435,000; all authorized notes have been issued. Source of revenue for debt service – ad valorem taxes.	27,985,000	29,065,000
Limited Tax Bonds, Series 2006 , issued to construct, renovate, acquire and equip new and existing facilities. Issued April 20, 2006 for \$60,710,000; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.	42,210,000	42,210,000
Limited Tax Bonds, Series 2006A , issued to construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006 for \$49,580,000; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.	49,580,000	49,580,000

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

8. BONDS AND TAX NOTES PAYABLE (Continued)

	2009	2008
<p>Combined Fee Revenue and Refunding Bonds, Series 2007, issued to refund \$17,900,000 of Series 2001 Combined Fee Revenue Refunding Bonds; and to construct, renovate, and equip academic buildings and acquire sites, Issued March 8, 2007 for \$27,175,000; all authorized bonds have been issued. Source of revenue for debt service - pledged revenues including tuition, general fee, parking fee, general fund investment income, bookstore and food service commissions.</p>	26,555,000	26,870,000
<p>Limited Tax Bonds, Series 2007, issued to construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007 for \$271,085,000; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.</p>	266,555,000	271,085,000
<p>Limited Tax Bonds, Series 2007A, issued to construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007 for \$63,490,000; all authorized bonds have been issued. Source of revenue for debt service - ad valorem taxes.</p>	58,645,000	63,000,000
<p>Combined Fee Revenue and Refunding Bonds, Series 2007, issued to purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued September 18, 2007 for \$5,150,000; all authorized bonds have been issued. Source of revenue for debt service - pledged revenues including tuition, general fee, parking fee, general fund investment income, bookstore and food service commissions.</p>	4,855,000	4,970,000
<p>Maintenance Tax Notes, Series 2007, issued to purchase equipment, vehicles and renovating various facilities. Issued September 18, 2007 for \$81,110,000; all authorized notes have been issued. Source of revenue for debt service – ad valorem taxes.</p>	75,600,000	78,240,000
<p>Total Bonds and Tax Notes Payable</p>	\$ 598,353,778	\$ 622,583,778

Bonds payable are due in annual installments varying from \$120,000 to \$16,365,000 with interest rates from 3.0% to 5.675% with the final installment due in fiscal year 2037.

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. For the year ended August 31, 2008, the revenue pledged as security for revenue bond debt service includes a portion of tuition and general fee revenue, \$29.5 million, investment income, \$4.3 million, and auxiliary revenue, \$3.5 million.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

8. BONDS AND TAX NOTES PAYABLE (Continued)

The Tax Reform Act of 1986 enacted Section 148(f) of the Internal Revenue Code relating to arbitrage rebate requirements. This section generally provides that in order for interest on any issue of obligations to be excluded from gross income (i.e. tax-exempt) the issuer must rebate to the United States 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 is reflected as part of noncurrent liabilities in the amount of \$1,981,014 and \$2,802,346 as of August 31, 2009, and 2008, respectively.

9. DEFEASANCE OF DEBT

The District had \$17,900,000 of defeased bonds outstanding at August 31, 2009 and 2008.

10. EMPLOYEES' RETIREMENT PLANS

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 of Texas. 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, under the TRS Publications heading.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

10. EMPLOYEES' RETIREMENT PLANS (Continued)

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 6.4% for fiscal years 2009 and 2008 and a state contribution rate of 6.58% for fiscal years 2009 and 2008. In certain instances the District is required to make all or a portion of the state's 6.58% contribution for fiscal years 2009 and 2008.

For the years ended August 31, 2009 and 2008, respectively, contributions to the Teacher Retirement System amounted to \$11,618,099 and \$10,316,176, of which \$5,996,437 and \$5,324,476 was made by employees, \$4,539,854 and \$4,006,880 was made by the State of Texas, \$552,975 and \$512,299 was made by other grantor agencies and \$528,832 and \$472,521 was made by the District. Total payroll for employees covered by the System for the years ended August 31, 2009 and 2008, respectively, was \$93,694,356 and \$83,195,010.

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 6.58% and 6.65%, respectively. The District contributes 1.92% 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.

For the years ended August 31, 2009 and 2008, respectively, contributions to the optional retirement program amounted to \$7,286,347 and \$7,194,785, of which \$3,337,702 and \$3,290,237 was made by employees, \$3,251,136 and \$3,215,641 was made by the State of Texas, \$44,365 and \$37,548 was made by other grantor agencies and \$653,144 and \$651,359 was made by the District. Total payroll of employees participating in the optional retirement program for the years ended August 31, 2009 and 2008 was \$50,190,935 and \$49,477,282.

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.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

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. 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. 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.

The District recognizes the accrued liability for annual and sick leave as a long-term 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 liability is that which is projected to be paid during the next fiscal year is based on a five year average. 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. The total accrued at August 31, 2008 of \$8,347,804 was allocated \$4,625,576 to sick leave and \$3,722,228 to annual leave.

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Accounts Receivable at August 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Tuition and fees receivable (net of allowance for doubtful accounts of \$2,092,937 and \$2,155,675 in 2009 and 2008)	\$ 1,560,443	\$ 2,175,745
Taxes receivable (net of allowance for doubtful accounts of \$3,568,635 and \$3,166,160 in 2009 and 2008)	2,115,408	1,820,841
Contracts and grants receivable	4,987,059	2,348,052
Interest receivable	693,884	1,059,015
Other receivables (net of allowance for doubtful accounts of \$250,273 and \$235,950 in 2009 and 2008)	<u>861,829</u>	<u>844,028</u>
Total	<u>\$ 10,218,623</u>	<u>\$ 8,247,681</u>

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

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES (Continued)

Accounts Payable and Accrued Liabilities at August 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Payable to vendors	\$ 8,510,307	\$ 36,425,498
Salaries and benefits payable	2,855,721	1,607,017
Bank overdraft	-	6,549,174
Construction retainage payable	<u>17,541,439</u>	<u>21,267,411</u>
Total	<u>\$ 28,907,467</u>	<u>\$ 65,849,100</u>

14. FUNDS HELD FOR OTHERS

The District holds 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 \$506,910 as of August 31, 2009 and \$375,091 as of August 31, 2008.

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 2009 and 2008, respectively, for which funds had not been received or expended, totaled \$13,057,622 and \$16,020,531. Of this amount, \$6,236,882 and \$10,659,261 was from federal and \$6,820,738 and \$5,361,270 was from state contract and grant awards for the years ended August 31, 2009 and 2008.

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 Fund (the "Fund") administered by a third party administrator. Through this Fund, the District self-insures workers' compensation claims up to \$300,000 per occurrence.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

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

Individual losses of over \$300,000 are covered by a Specific Excess Insurance policy up to the maximum statutory benefit per occurrence. Additionally, \$2.6 million of fund balance has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the Specific Excess Insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund, and the balance is reserved towards future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of \$775,262 and \$528,754 at August 31, 2009 and 2008, respectively. These liabilities are generally based on actual valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 4% for August 31, 2009 and 2008.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability	Estimated Due Within One Year
2009	\$ 528,754	1,046,304	(799,796)	\$ 775,262	\$ 775,262
2008	\$ 432,103	811,278	(714,627)	\$ 528,754	\$ 528,754

17. HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the state pays certain health care and life insurance benefits for retired employees. 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 employee or retiree was between \$320 and \$705 per month for the year ended August 31, 2009, and totaled \$12,309,355 and \$12,248,629 for the years ended August 31, 2009 and 2008, respectively. 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. The state's cost of providing these benefits for 677 retirees was \$3,079,440 and for 2,612 active employees was \$9,169,189 for the year ended August 31, 2008.

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 Fiscal Year 2008, 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*.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

17. HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

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.

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 costs 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, 2009, 2008, and 2007, were \$174,460, \$92,266, and \$70,429, 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, 2009 and 2008:

	2009	2008
Assessed valuation of the District	\$ 108,515,755,336	\$ 97,395,174,879
Less: exemptions	(8,679,501,416)	(7,007,075,783)
Tax increment financings	(411,790,743)	(319,047,050)
Net assessed valuation of the District	\$ 99,424,463,177	\$ 90,069,052,046

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

18. AD VALOREM TAX (Continued)

Authorized and Assessed Tax Rates for Fiscal Years 2009 and 2008:

	2009			2008		
	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	\$ 0.089800	\$ 0.044750	\$ 0.134550

Taxes levied for the years ended August 31, 2009 and 2008 are \$132,171,475 and \$117,688,619, 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.

Tax Collection Detail Fiscal Year 2009 and 2008:

	2009			2008		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 86,471,587	\$ 42,474,550	\$ 128,946,137	\$ 77,169,876	\$ 38,458,146	\$ 115,628,022
Tax increment financing payment	(663,917)	-	(663,917)	(476,845)	-	(476,845)
Delinquent taxes collected	1,084,544	475,127	1,559,671	1,247,398	453,023	1,700,421
Penalties & interest	1,311,984	367,192	1,679,176	1,210,582	315,414	1,525,996
Total	\$ 88,204,198	\$ 43,316,869	\$ 131,521,067	\$ 79,151,011	\$ 39,226,583	\$ 118,377,594

Tax collections for the years ended August 31, 2009 and 2008 were 97.98% and 98.08%, 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.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

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, 2009 and 2008.

20. RELATED PARTIES

The Alamo Community College District Foundation, Inc. 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 this foundation. The Foundation solicits donations and acts as a coordinator of gifts made by other parties.

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 \$1,165,358 and \$612,969 to the District during the years ended August 31, 2009 and 2008, respectively. At December 31, 2008 and 2007, 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, 2008 and 2007. Complete financial statements of Alamo Community College District Foundation can be obtained from the administrative office of the Alamo Community College District.

During the fiscal year, 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 operation 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, 2008 and 2007.

The District has determined that as of August 31, 2009 the ACCD Foundation did not meet the threshold 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.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

22. COMMITMENTS AND CONTINGENCIES

On August 31, 2009, 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, 2009, and 2008, the District was committed for approximately \$72 million and \$169 million, respectively.

23. SUBSEQUENT EVENTS

Maintenance Tax Notes

On September 10, 2009 the District issued \$11,860,000 of Maintenance Tax Notes. The bonds were issued to provide funds to renovate and equip District facilities. The bonds pay interest on February 15 and August 15 of each year and are scheduled to mature in 2011. Bonds will be repaid from the ad valorem tax levied pursuant to the District's authority within limits prescribed by law.



ALAMO
COLLEGES

Supplemental Schedules



ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2009
With Memorandum Totals for the Year Ended August 31, 2008

	Total		Total		Total	
	Unrestricted	Restricted	Educational Activities	Auxiliary Enterprises	FY09 Total	FY08 Total
OPERATING REVENUES:						
Tuition						
State funded courses						
In-district resident tuition	\$ 48,024,687	\$ -	\$ 48,024,687	\$ -	\$ 48,024,687	\$ 39,747,832
Out-of-district resident tuition	13,805,969	-	13,805,969	-	13,805,969	10,810,934
Non-resident tuition	4,389,257	-	4,389,257	-	4,389,257	4,011,399
TPEG - credit (set aside) *	3,577,783	-	3,577,783	-	3,577,783	2,697,273
State-funded continuing education	2,959,141	-	2,959,141	-	2,959,141	2,746,009
TPEG - non-credit (set aside)*	447,970	-	447,970	-	447,970	265,290
Non-state funded educational programs	2,321,080	-	2,321,080	-	2,321,080	2,570,744
Total tuition	75,525,887	-	75,525,887	-	75,525,887	62,849,481
Fees						
General fees	16,268,839	-	16,268,839	-	16,268,839	15,209,238
Laboratory fees	-	-	-	-	-	1,851,261
Registration fees	-	-	-	-	-	1,480,263
Library upgrade fees	-	-	-	-	-	1,664,987
Other	3,034,150	-	3,034,150	-	3,034,150	4,684,448
Total fees	19,302,989	-	19,302,989	-	19,302,989	24,890,197
Total tuition and fees	94,828,876	-	94,828,876	-	94,828,876	87,739,678
Scholarship allowances and discounts						
Institutional scholarships	(1,060,097)	-	(1,060,097)	-	(1,060,097)	(930,564)
Remissions and exemptions - state	(1,767,540)	-	(1,767,540)	-	(1,767,540)	(1,425,176)
Remissions and exemptions - local	(8,548,635)	-	(8,548,635)	-	(8,548,635)	(7,118,737)
Federal grants to students	-	(29,685,719)	(29,685,719)	-	(29,685,719)	(22,739,612)
TPEG awards	-	(1,291,992)	(1,291,992)	-	(1,291,992)	(1,625,420)
State grants to students	-	(1,359,939)	(1,359,939)	-	(1,359,939)	(1,103,622)
Other local awards	-	-	-	-	-	-
Total schol. allowances and discounts	(11,376,272)	(32,337,650)	(43,713,922)	-	(43,713,922)	(34,943,131)
Total net tuition and fees	83,452,604	(32,337,650)	51,114,954	-	51,114,954	52,796,547
Other operating revenues						
Federal grants and contracts	380,737	16,869,427	17,250,164	-	17,250,164	14,206,221
State grants and contracts	-	8,097,385	8,097,385	-	8,097,385	7,195,598
Local grants and contracts	509,250	498,112	1,007,362	-	1,007,362	1,117,289
Non-governmental grants and contracts	-	2,221,447	2,221,447	-	2,221,447	483,217
Investment income - program restricted	-	19,272	19,272	-	19,272	157,634
Other operating revenues	2,306,303	18,870	2,325,173	-	2,325,173	2,495,852
Total other operating revenues	3,196,290	27,724,513	30,920,803	-	30,920,803	25,655,811
Auxiliary enterprises						
Bookstore commission	-	-	-	1,574,803	1,574,803	1,665,920
Palo Alto College natatorium	-	-	-	593,744	593,744	603,468
Day care centers	-	-	-	768,531	768,531	569,739
Vending machines/copiers	-	-	-	407,487	407,487	409,156
Parking permits & fines	-	-	-	783,234	783,234	835,138
Other	-	-	-	137,497	137,497	152,099
Total net auxiliary enterprises	-	-	-	4,265,296	4,265,296	4,235,520
Total operating revenues	\$ 86,648,894	\$ (4,613,137)	\$ 82,035,757	\$ 4,265,296	\$ 86,301,053	\$ 82,687,878
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$4,025,753 of tuition was set aside for the Texas Public Education Grant

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2009
With Memorandum Totals for the Year Ended August 31, 2008

	Operating Expenses					FY09 Total	FY08 Total
	Salaries and Wages	Benefits		Other Expenses			
		State	Local				
UNRESTRICTED - EDUCATIONAL ACTIVITIES							
Instruction	\$ 92,598,908	\$ -	\$ 8,693,714	\$ 10,956,441	\$ 112,249,063	\$ 103,380,777	
Public service	285,359	-	42,611	214,819	542,789	449,559	
Academic support	15,139,466	-	1,412,432	5,490,109	22,042,007	19,793,975	
Student services	17,526,944	-	1,641,270	4,585,789	23,754,003	21,865,640	
Institutional support	25,776,900	-	5,110,186	15,329,049	46,216,135	42,338,526	
Operation and maintenance of plant	8,972,585	-	2,988,872	17,837,221	29,798,678	20,380,567	
Scholarships and fellowships	-	-	-	509,820	509,820	546,574	
Total unrestricted educational activities	160,300,162	-	19,889,085	54,923,248	235,112,495	208,755,618	
RESTRICTED - EDUCATIONAL ACTIVITIES							
Instruction	1,853,065	11,698,042	296,655	4,698,234	18,545,996	19,586,143	
Public service	7,941	38,036	426	19,735	66,138	141,509	
Academic support	697,236	1,958,531	69,594	363,556	3,088,917	2,137,059	
Student services	3,403,978	2,625,913	647,986	1,579,635	8,257,512	10,071,653	
Institutional support	2,662,099	3,779,823	438,252	1,854,379	8,734,553	4,332,249	
Operation and maintenance of plant	-	-	-	7,944	7,944	-	
Scholarships and fellowships	-	-	-	58,072,652	58,072,652	43,340,608	
Total restricted educational activities	8,624,319	20,100,345	1,452,913	66,596,135	96,773,712	79,609,221	
Total educational activities	168,924,481	20,100,345	21,341,998	121,519,383	331,886,207	288,364,839	
Auxiliary enterprises	1,591,278	-	461,005	397,128	2,449,411	2,311,971	
Depreciation expense - buildings	-	-	-	13,193,006	13,193,006	7,778,116	
Depreciation expense - equipment	-	-	-	3,850,832	3,850,832	3,293,904	
Total operating expenses	\$ 170,515,759	\$ 20,100,345	\$ 21,803,003	\$ 138,960,349	\$ 351,379,456	\$ 301,748,830	
					(Exhibit 2)	(Exhibit 2)	

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2009
With Memorandum Totals for the Year Ended August 31, 2008

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY09 Total	FY08 Total
NON-OPERATING REVENUES:						
State appropriations						
Education and general state support	\$ 67,846,696	\$ -	\$ 67,846,696	\$ -	\$ 67,846,696	\$ 67,846,696
State group insurance	-	12,309,355	12,309,355		12,309,355	12,248,629
State retirement match	-	7,790,990	7,790,990		7,790,990	7,222,521
Ad valorem taxes						
Taxes for maintenance and operations	88,412,612		88,412,612		88,412,612	79,277,313
Taxes for debt service	-	43,403,022	43,403,022		43,403,022	39,164,358
Federal revenue, non-operating	-	82,534,453	82,534,453		82,534,453	62,542,264
Gifts	109,135	491,777	600,912		600,912	140,874
Investment income	1,564,727	4,728,395	6,293,122		6,293,122	22,533,428
	<u>157,933,170</u>	<u>151,257,992</u>	<u>309,191,162</u>		<u>309,191,162</u>	<u>290,976,083</u>
NON-OPERATING EXPENSES:						
Interest on capital related debt	-	(28,841,883)	(28,841,883)		(28,841,883)	(29,550,614)
Loss on disposal of capital assets	-	(35,114)	(35,114)		(35,114)	(418,733)
Arbitrage rebate revenue (expense)	-	821,332	821,332		821,332	(1,129,373)
Other non-operating expenses	-	(19,361,989)	(19,361,989)		(19,361,989)	(9,203,581)
Total Non-Operating Expenses	<u>-</u>	<u>(47,417,654)</u>	<u>(47,417,654)</u>		<u>(47,417,654)</u>	<u>(40,302,301)</u>
Net non-operating revenues	<u>\$ 157,933,170</u>	<u>\$ 103,840,338</u>	<u>\$ 261,773,508</u>	<u>\$ -</u>	<u>\$ 261,773,508</u>	<u>\$ 250,673,782</u>
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule D
Schedule of Net Assets by Source and Availability
For the Year Ended August 31, 2009
With Memorandum Totals for the Year Ended August 31, 2008

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 62,214,797	\$ -	\$ -	\$ -	\$ 62,214,797	\$ 13,327,855	\$ 48,886,942
Board-designated	2,634,689	-	-	-	2,634,689	-	2,634,689
Restricted	-	4,612,317	-	-	4,612,317	-	4,612,317
Auxiliary enterprises	3,289,888	-	-	-	3,289,888	3,289,888	-
Loan	226,950	-	-	-	226,950	-	226,950
Endowment:							
Quasi	10,093,618	-	-	-	10,093,618	-	10,093,618
True	-	-	-	-	-	-	-
Term	-	-	-	-	-	-	-
Plant:							
Unexpended	3,572,729	574,503	-	-	4,147,232	-	4,147,232
Renewals	-	974,674	-	-	974,674	-	974,674
Debt service	-	4,094,258	-	-	4,094,258	-	4,094,258
Investment in plant	-	-	-	181,568,975	181,568,975	-	181,568,975
 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
 Total net assets, August 31, 2008	 91,555,971	 13,184,526	 1,298,568	 172,395,461	 278,434,526 (Exhibit 1)	 10,935,450	 267,499,076
 Net increase (decrease) in net assets	 \$ (9,523,300)	 \$ (2,928,774)	 \$ (1,298,568)	 \$ 9,173,514	 \$ (4,577,128) (Exhibit 2)	 \$ 5,682,293	 \$ (10,259,421)

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 1,572,356
Higher Education_Institutional Aid	84.031		9,831,676
Federal Work-Study Program	84.033		1,968,592
TRIO_Student Support Services	84.042		662,031
TRIO_Upward Bound	84.047		615,907
Federal Pell Grant Program	84.063		77,656,473
Minority Science and Engineering Improvement	84.120		185,888
Child Care Access Means Parents in School	84.335		495,323
Academic Competitiveness Grants	84.375		1,147,235
Pass-Through from:			
University of Incarnate Word			
Higher Education_Institutional Aid	84.031	P031S040049	182,182
University of Texas at San Antonio			
Higher Education_Institutional Aid	84.031	P031S030016	41,948
Texas Higher Education Coordinating Board			
Career and Technical Education--Basic Grants to States	84.048	94201	2,435,491
Leveraging Educational Assistance Partnership	84.069A	FY 08-09	79,480
Leveraging Educational Assistance Partnership	84.069A	FY 09-10	6,550
Supplement Leveraging Educational Assistance Partnership	84.069B	FY 08-09	102,766
Supplement Leveraging Educational Assistance Partnership	84.069B	FY 09-10	1,000
Stephen F. Austin State University			
Fund for the Improvement of Postsecondary Education	84.116	UTA03-100	2,339
Texas Higher Education Coordinating Board			
Tech-Prep Education	84.243	91701	426,392
Education Research, Development and Dissemination	84.305		17,880
College Access Challenge Grant Program	84.378		25,514
College Access Challenge Grant Program	84.378		9,500
Total U.S. Department of Education			\$ <u>97,466,523</u>
U.S. Department of Agriculture			
Direct Programs:			
Agricultural Research_Basic and Applied Research	10.001		\$ 15,026
Hispanic Serving Institutions Education Grants	10.223		203,595
Total U.S. Department of Agriculture			\$ <u>218,621</u>

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Housing and Urban Development			
Direct Programs:			
Hispanic-Serving Institutions Assisting Communities	14.514		408,954
U.S. Department of Labor			
Direct Programs:			
WIA Pilots, Demonstrations, and Research Projects	17.261		\$ 106,864
Pass-Through from:			
Texas Workforce Commission			
WIA Adult Program	17.258	2007WSW001	(437)
WIA Adult Program	17.258	2008WSW000	19,827
WIA Adult Program	17.258	2008WSW004-1	70,868
WIA Youth Activities	17.259	2007WSW001	(701)
WIA Youth Activities	17.259	2008WSW000	38,022
WIA Youth Activities	17.259	2008WSW004-1	71,203
WIA Dislocated Workers	17.260	2008WSW004-1	76,779
WIA Dislocated Workers	17.260	2009WSW001	13,354
Total U.S. Department of Labor			\$ <u>444,321</u>
Department of State			
Pass-Through from:			
Georgetown University			
Academic Exchange Programs - English Language Programs	19.421	ACCD-RX2050-866-07-A	17,548
National Endowment for The Humanities			
Pass-Through from:			
Humanities Texas Foundation, Inc.			
Promotion of the Humanities_We the People	45.168	2009-3704	600
National Science Foundation			
Direct Programs:			
Education and Human Resources	47.076		\$ 249,944
Pass-Through from:			
Wright State University			
Engineering Grants	47.041	DUE-0817332	15,727
University of Texas at El Paso			
Education and Human Resources	47.076	HRD-0217691	9,717
Pass-Through from:			
Kentucky Community and Technical College System			
Education and Human Resources	47.076	KCT-PS-376	2,078
Total National Science Foundation			\$ <u>277,466</u>

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Health & Human Services			
Direct Programs:			
Nursing Workforce Diversity	93.178		\$ 181,644
Head Start	93.600		145,043
Health Care and Other Facilities	93.887		163,893
Pass-Through from:			
University of Texas at Austin			
HIV Prevention Programs for Women	93.015	HPPWHO60012-01-00	13,005
Consolidated Knowledge Development and Application (KD&A) Program	93.230	UTA03-100	13,810
Texas Workforce Commission			
Temporary Assistance for Needy Families	93.558	2007SSF000	(1,076)
Total U.S. Department of Health & Human Services			\$ <u>516,319</u>
Corporation for National and Community Service			
Direct Programs:			
Learn and Serve America_Higher Education	94.005		103,478
Agency of International Development			
Pass-Through from:			
Georgetown University			
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-852-07-L-1	\$ 94,294
USAID Foreign Assistance for Programs Overseas	98.001	ACCDXRX2050-852-08-K-12	236,492
Total Agency of International Development			\$ <u>330,786</u>
Total Federal Financial Assistance			\$ <u>99,784,616</u>

Notes to Schedule on Following Page

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule E
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$	17,250,163
Add: Non Operating Federal revenue from Schedule B		82,534,453
Total Federal Revenue per Schedule of Expenditures of Federal Awards	\$	<u>99,784,616</u>

Note 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.

Note 3: Expenditures not subject to federal single audit

None

Note 4: Student Loans Processed and Administrative Costs Recovered - if 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 Loan Program	\$ 23,158,643	\$ -	\$ 23,158,643

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule E
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

Note 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 US Department of Education through the the Texas Higer Coordinating Board.

Comal Independent School District	\$	1,078.00
Floresville Independent School District		5,186.60
Harlandale Independent School District		2,064.48
Judson Independent School District		70.00
Medina Valley Independent School District		181.90
North East Independent School District		1,800.00
Northside Independent School District		75.00
Seguin Independent School District		165.50
Total amount passed-through	\$	<u>10,621.48</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 from the US Department of Education through the Texas State University.

Texas State University		<u>30,000.00</u>
Total amount passed-through		30,000.00

The following amounts were passed-through to the listed subrecipients by the District. These amounts were from the Hispanic Serving Institutions Educations Grant program CFDA 10.223 from the US Department of Agriculture through the University of the Incamate Word.

University of the Incamate Word		<u>112,237.55</u>
Total amount passed-through		112,237.55

Total amount passed-through	\$	<u><u>152,859.03</u></u>
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ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2009

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas Grant Initial	2008-2009	\$ 2,987,710
Texas Grant Initial	2009-2010	125,240
Texas Grant Renewal	2007-2008	1,730
Texas Grant Renewal	2008-2009	1,137,475
Texas Grant Renewal	2009-2010	87,020
Total Texas Grant Initial and Renewal		\$ 4,339,175
TEOG Initial	2008-2009	472,001
TEOG Initial	2009-2010	20,245
TEOG Renewal	2008-2009	235,569
TEOG Renewal	2009-2010	7,960
Total TEOG Initial and Renewal		\$ 735,775
P-16 College Readiness Program		356
P-16 San Antonio Council Program		1,156
Total P-16 Programs		\$ 1,512
College Connection Program		\$ 66,127
Professional Nursing Scholarship		\$ 17,059
Pathways Regional Coordinator Program		\$ 31,004
Quest Prep Program		\$ 13,285
Summer Bridge Category A		\$ 41,504
Summer Bridge 1st Year Student Program		\$ 5,180
Vocational Nursing Scholarship		\$ 1,117
Texas Workforce Commission		
Skills Development Funding	2006SDF000	\$ 78,994
Skills Development Funding	2007SDF000	1,948,375
Skills Development Funding	2008SDF000	21,265
Skills Development Funding	2008SDF001	360,222
Skills Development Funding	2008SDF002	428,976
Total Skills Development Funding		\$ 2,837,832
Apprenticeship Training	2008ATP002	\$ 6,557
Texas Park and Wildlife		
Texas Park and Wildlife	IAC#167743	\$ 1,258
Total State Financial Assistance		\$ 8,097,385

Notes to Schedule on Following Page

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Schedule F
Notes to Schedule of Expenditures of State Awards
For the Year Ended August 31, 2009

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	
State Financial Assistance	
Per Schedule of expenditure:	\$ 8,097,385
State Financial Assistance	
Continuing Education tuition and fees	
included in Schedule A captioned	
"Tuition and Fees"	\$ <u> -</u>
Total State Revenues per Schedule A	\$ <u> 8,097,385</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule is presented using the accrual basis of accounting. See Note X 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.



ALAMO
COLLEGES

Statistical Section



ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002 to 2009
(Unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 181,568	\$ 172,395	\$ 155,641	\$ 126,343	\$ 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	10,256	13,185	7,050	7,829	6,970	6,209	10,296	1,170
Unrestricted	82,033	91,556	82,283	66,114	58,647	45,309	50,507	49,817
Total	\$ 273,857	\$ 278,435	\$ 246,272	\$ 201,584	\$ 185,906	\$ 188,456	\$ 177,328	\$ 172,506
Net assets beginning of the year	278,435	246,272	201,584	185,906	188,456	177,328	172,506	166,262
Increase (Decrease) in net assets	\$ (4,578)	\$ 32,163	\$ 44,688	\$ 15,678	\$ (2,550)	\$ 11,128	\$ 4,822	\$ 6,244

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to 2009
(Unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	\$ 51,115	\$ 52,797	\$ 49,198	\$ 45,344	\$ 43,235	\$ 37,483	\$ 31,581	\$ 29,298
Governmental grants and contracts								
Federal grants and contracts	17,250	14,206	14,032	13,514	13,603	14,270	11,464	11,267
State grants and contracts	8,097	7,196	5,920	6,375	7,335	2,784	4,398	4,156
Local grants and contracts	1,007	1,117	897	663	613	518	761	496
Non-governmental grants and contracts	2,222	483	787	636	629	297	119	467
Investment income	19	158	184	159	119	91	93	102
Auxiliary enterprises	4,265	4,236	3,754	3,622	3,750	3,306	2,654	2,327
Other operating revenue	2,326	2,496	2,167	2,050	1,683	1,210	1,162	1,477
Total operating revenues	86,301	82,689	76,939	72,363	70,967	59,959	52,232	49,590
State appropriation	87,947	87,318	83,500	82,245	72,740	72,230	72,719	54,453
Ad valorem taxes	131,816	118,441	103,780	72,886	67,507	63,909	59,351	(58,396)
Federal revenue, non-operating	82,534	62,542	56,703	55,548	58,290	57,811	49,402	726
Gifts	601	141	581	549	651	1,382	925	583
Investment income	6,293	22,533	19,613	6,520	3,558	2,836	2,707	2,634
Other non-operating revenues	-	-	48	4	50	50	761	174,508
Total non-operating revenues	309,191	290,975	264,225	217,752	202,796	198,218	185,865	174,508
Total revenues	\$ 395,492	\$ 373,664	\$ 341,164	\$ 290,115	\$ 273,763	\$ 258,177	\$ 238,097	\$ 224,098

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	12.92%	14.13%	14.42%	15.63%	15.79%	14.52%	13.26%	13.07%
Governmental grants and contracts								
Federal grants and contracts	4.36%	3.80%	4.11%	4.66%	4.97%	5.53%	4.81%	5.03%
State grants and contracts	2.05%	1.93%	1.74%	2.20%	2.68%	1.08%	1.85%	1.85%
Local grants and contracts	0.25%	0.30%	0.26%	0.23%	0.22%	0.20%	0.32%	0.22%
Non-governmental grants and contracts	0.56%	0.13%	0.23%	0.22%	0.23%	0.12%	0.05%	0.21%
Investment income	0.00%	0.04%	0.05%	0.05%	0.04%	0.04%	0.04%	0.05%
Auxiliary enterprises	1.08%	1.13%	1.10%	1.25%	1.37%	1.28%	1.11%	1.04%
Other operating revenue	0.59%	0.67%	0.64%	0.71%	0.61%	0.47%	0.49%	0.66%
Total operating revenues	21.81%	22.13%	22.55%	24.95%	25.91%	23.24%	21.93%	22.13%
State appropriation	22.24%	23.37%	24.48%	28.35%	26.57%	27.98%	30.54%	24.30%
Ad valorem taxes	33.34%	31.69%	30.42%	25.11%	24.67%	24.73%	24.93%	-26.06%
Federal revenue, non-operating	20.87%	16.74%	16.62%	19.15%	21.29%	22.39%	20.75%	0.32%
Gifts	0.15%	0.04%	0.17%	0.19%	0.24%	0.54%	0.39%	0.26%
Investment income	1.59%	6.03%	5.75%	2.25%	1.30%	1.10%	1.14%	1.18%
Other non-operating revenues	0.00%	0.00%	0.01%	0.00%	0.02%	0.02%	0.32%	77.87%
Total non-operating revenues	78.19%	77.87%	77.45%	75.05%	74.09%	76.76%	78.07%	77.87%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to 2009
(Unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 130,794	\$ 123,624	\$ 116,588	\$ 113,581	\$ 110,408	\$ 100,607	\$ 96,872	\$ (128,386)
Public service	609	591	891	1,129	2,178	3,411	3,623	3,673
Academic support	25,131	21,273	19,693	18,315	22,105	19,163	18,403	17,669
Student services	32,012	31,937	30,326	27,498	24,108	24,033	22,385	21,015
Institutional support	54,951	46,671	40,131	39,034	33,692	28,239	25,979	24,682
Operating and maintenance of plant	29,807	20,381	19,485	18,986	17,910	18,109	17,070	17,234
Scholarships and fellowships	58,582	43,887	37,913	37,593	36,688	39,439	35,726	29,450
Auxiliary enterprises	2,449	2,312	2,161	1,863	1,978	1,834	1,687	1,742
Depreciation	17,044	11,072	10,601	9,779	8,827	7,073	7,026	6,712
Total operating expenses	351,379	301,748	277,789	267,778	257,894	241,908	228,771	(6,209)
Interest on capital related debt	28,842	29,551	14,993	6,656	4,686	4,308	4,410	330
Other non-operating expenses	18,541	10,333	2,773	-	-	-	-	5,879
Loss on disposal of fixed assets	35	419	499	66	1,143	834	787	217,855
Total non-operating expenses	47,418	40,303	18,265	6,722	5,829	5,142	5,197	224,064
Total expenses	\$ 398,797	\$ 342,051	\$ 296,054	\$ 274,500	\$ 263,723	\$ 247,050	\$ 233,968	\$ 217,855

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	32.81%	36.14%	39.38%	41.38%	41.86%	40.73%	41.40%	-58.94%
Public service	0.15%	0.17%	0.30%	0.41%	0.83%	1.38%	1.55%	1.69%
Academic support	6.30%	6.22%	6.65%	6.67%	8.38%	7.76%	7.87%	8.11%
Student services	8.03%	9.34%	10.24%	10.02%	9.14%	9.73%	9.57%	9.65%
Institutional support	13.78%	13.64%	13.56%	14.22%	12.78%	11.43%	11.10%	11.33%
Operating and maintenance of plant	7.47%	5.96%	6.58%	6.92%	6.79%	7.33%	7.30%	7.91%
Scholarships and fellowships	14.69%	12.83%	12.81%	13.70%	13.91%	15.96%	15.27%	13.52%
Auxiliary enterprises	0.61%	0.68%	0.73%	0.68%	0.75%	0.74%	0.72%	0.80%
Depreciation	4.27%	3.24%	3.58%	3.56%	3.35%	2.86%	3.00%	3.08%
Total operating expenses	88.11%	88.22%	93.83%	97.56%	97.79%	97.92%	97.78%	-2.85%
Interest on capital related debt	7.23%	8.64%	5.06%	2.42%	1.78%	1.74%	1.88%	0.15%
Other non-operating expenses	4.65%	3.02%	0.94%	0.00%	0.00%	0.00%	0.00%	2.70%
Loss on disposal of fixed assets	0.01%	0.12%	0.17%	0.02%	0.43%	0.34%	0.34%	100.00%
Total non-operating expenses	11.89%	11.78%	6.17%	2.44%	2.21%	2.08%	2.22%	102.85%
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

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

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	Technology Fees	Student Activity Fees	Pledged Tuition	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 2008	\$ -	\$ 51	\$ 95	\$ -	\$ 12	\$ 121	\$ -	\$ -	\$ -	\$ 745	\$ 1,273	4.20%	2.41%
Fall 2007	13	44	88	-	12	121	13	24	4	715	1,243	4.69%	4.72%
Fall 2006	12	42	84	-	12	115	12	24	4	683	1,187	6.72%	5.98%
Fall 2005	11	40	80	-	-	110	11	24	4	640	1,120	5.09%	5.16%
Fall 2004	10	38	76	-	-	105	10	24	4	609	1,065	10.13%	9.46%
Fall 2003	10	35	70	-	-	85	10	24	4	553	973	12.17%	21.78%
Fall 2002	10	30	56	-	-	85	10	24	4	493	799	0.00%	0.00%
Fall 2001	10	30	56	-	-	85	10	24	4	493	799	14.39%	14.96%
Fall 2000	10	27	49	-	-	65	10	24	4	431	695	0.00%	0.00%
Fall 1999	10	24	46	30	-	65	10	24	4	431	695		

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

Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out-of-State & International	Technology Fees	Student Activity Fees	Pledged Tuition	Library Fee (per student)	Lab Fee	Student Insurance	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2008	\$ -	\$ 183	\$ -	\$ 12	\$ 121	\$ -	\$ -	\$ -	\$ 2,329	-1.36%
Fall 2007	13	176	-	12	121	13	24	66	2,361	4.61%
Fall 2006	12	168	-	12	115	12	24	66	2,257	5.37%
Fall 2005	11	160	-	-	110	11	24	66	2,142	5.31%
Fall 2004	10	152	-	-	105	10	24	61	2,034	8.77%
Fall 2003	10	140	-	-	85	10	24	61	1,870	25.34%
Fall 2002	10	109	-	-	85	10	24	61	1,492	0.00%
Fall 2001	10	109	-	-	85	10	24	61	1,492	15.57%
Fall 2000	10	95	-	-	65	10	24	48	1,291	0.00%
Fall 1999	10	92	30	-	65	10	24	48	1,291	

Beginning with the summer of 2000, the technology fee was no longer collected but incorporated in tuition.

Lab fees ranged from \$2.00 to \$24.00 prior to Fall 2008.

Beginning with the Fall of 2008, **ONLY** tuition, pledged tuition and student activity fees are charged.

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

**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
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
1999-00	45,910,765,195	2,318,494,319	43,592,270,876	94.95%	0.08743	0.01853	0.10596

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
San Antonio, Texas**

**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	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State Appropriation per Contact
2008-09	\$ 67,846,696	36,668	1,850	16,890,192	3,839,282	20,729,474	3.27
2007-08	67,846,696	34,173	1,985	15,499,262	3,689,690	19,188,952	3.54
2006-07	65,409,379	33,428	1,957	15,055,152	4,563,352	19,618,504	3.33
2005-06	65,746,811	33,249	1,977	14,771,648	4,760,436	19,532,084	3.37
2004-05	58,069,378	33,173	1,751	15,033,840	4,941,136	19,974,976	2.91
2003-04	58,070,337	32,889	1,766	14,986,560	4,788,453	19,775,013	2.94
2002-03	55,994,039	32,282	1,735	14,228,315	4,633,550	18,861,865	2.97
2001-02	60,208,645	29,536	2,038	12,898,748	4,406,206	17,304,954	3.48
2000-01	55,580,355	26,817	2,073	11,605,418	4,128,811	15,734,229	3.53
1999-00	53,578,717	26,025	2,059	11,073,208	4,163,846	15,237,054	3.52

Notes: FTSE (Full-time Student Equivalent):

Semester credit hours divided by 30 plus non-semester (continuing education) credit hours divided by 900

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

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

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

Tax Payer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)											
		Tax Year		2007		2006*		2005		2004*		2003	
		2009	2008	2007	2006*	2005	2004*	2003	2002*	2001	2000*		
		2008-09	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01		
HEB Grocery Company LP	Groceries	\$ 915,618	\$ 860,947	\$ 835,417	\$ 734,917	\$ 684,385	\$ 649,249	\$ 610,809	\$ 542,267	\$ 531,549	\$ 522,523		
	Automotive												
Toyota Motor Mfg Texas Inc.	Manufacturer	541,478	-	636,047	182,767	-	-	-	-	-	-		
VHS San Antonio Ptners LP (Baptist Hospitals)	Healthcare	375,477	390,814	295,830	251,811	184,637	173,023	-	-	-	-		
Methodist Healthcare Systems SA	Healthcare	451,594	470,840	239,580	220,975	209,712	194,114	168,580	169,340	184,039	185,112		
AT&T	Telecommunications	408,853	496,917	546,653	568,534	524,283	515,151	631,726	489,195	519,842	482,224		
USAA	Insurance	343,721	346,117	338,676	334,521	307,044	319,746	331,742	364,350	412,154	395,287		
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	108,689		
La Cantera Retail LTD Partnership	Retail	263,640	-	0	-	-	-	-	-	-	-		
	Commercial Real												
Frankel Family Trust	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	100,366		
VLSI Technologies, Inc. (Philips)	Semiconductor Manufacturer	-	-	-	-	-	-	37,420	-	118,837	140,797		
Time Warner Cable San Antonio LP (Paragon)	Cable Company	-	-	185,569	178,019	177,002	162,962	151,811	118,554	115,509	105,746		
Alamo Stonecrest Holdings	Retail	-	-	-	-	144,910	-	-	-	-	-		
Inland Western San Antonio Academy LP	Retail	-	-	-	-	143,372	-	-	-	-	-		
Melvin Simon Properties	Real Estate	-	-	-	-	-	140,294	117,245	111,174	118,397	117,367		
North Star Mall, Inc.	Retail	-	-	-	-	-	-	109,891	108,919	106,793	106,831		
New River Center Mall LP	Retail	-	-	209,062	178,977	-	-	-	-	-	-		
MBS-Colonnade Lid	Real Estate	-	215,664	223,505	-	-	-	-	-	-	-		
Total Taxable Assessed Value		\$ 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	\$ 2,264,942		
		\$ 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	\$ 43,592,271		

Tax Payer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year											
		Tax Year		2007		2006*		2005		2004*		2003	
		2009	2008	2007	2006*	2005	2004*	2003	2002	2001	2000		
		2008-09	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01		
HEB Grocery Company LP	Groceries	0.92%	0.96%	1.08%	1.09%	1.10%	1.10%	1.12%	1.05%	1.12%	1.20%		
	Automotive												
Toyota Motor Mfg Texas Inc.	Manufacturer	0.54%	0.00%	0.83%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
VHS San Antonio Ptners LP (Baptist Hospitals)	Healthcare	0.38%	0.43%	0.38%	0.37%	0.30%	0.29%	0.00%	0.00%	0.00%	0.00%		
Methodist Healthcare Systems SA	Healthcare	0.45%	0.52%	0.31%	0.33%	0.34%	0.33%	0.31%	0.33%	0.39%	0.42%		
AT&T	Telecommunications	0.41%	0.55%	0.71%	0.84%	0.84%	0.87%	1.16%	0.95%	1.10%	1.11%		
USAA	Insurance	0.34%	0.38%	0.44%	0.50%	0.49%	0.54%	0.61%	0.71%	0.87%	0.91%		
Frost National Bank	Financial	0.21%	0.21%	0.00%	0.26%	0.27%	0.26%	0.00%	0.18%	0.00%	0.00%		
Marriott Hotel Properties	Hospitality	0.17%	0.21%	0.00%	0.00%	0.00%	0.21%	0.23%	0.22%	0.23%	0.25%		
La Cantera Retail LTD Partnership	Retail	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Commercial Real												
Frankel Family Trust	Estate	0.20%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Wal-Mart Stores, Inc.	Retail	0.00%	0.41%	0.46%	0.51%	0.52%	0.51%	0.40%	0.41%	0.25%	0.23%		
VLSI Technologies, Inc. (Philips)	Semiconductor Manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.25%	0.32%		
Time Warner Cable San Antonio LP (Paragon)	Cable Company	0.00%	0.00%	0.24%	0.26%	0.28%	0.28%	0.28%	0.23%	0.24%	0.24%		
Alamo Stonecrest Holdings	Retail	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%		
Inland Western San Antonio Academy LP	Retail	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%		
Melvin Simon Properties	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.21%	0.22%	0.25%	0.27%		
North Star Mall, Inc.	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.21%	0.23%	0.25%		
New River Center Mall LP	Retail	0.00%	0.00%	0.27%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
MBS-Colonnade Lid	Real Estate	0.00%	0.24%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
		3.89%	4.13%	5.02%	4.70%	4.60%	4.63%	4.58%	4.50%	4.93%	5.20%		

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
San Antonio, Texas

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 Year of Levy (c)	%	Prior Collections of Prior Levies (d)	Current Year Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2009	\$ 132,171,475	\$ (564,499)	\$ 131,606,976	\$ 128,946,137	97.98%	\$ -	\$ -	\$ 128,946,137	97.98%
2008	117,688,619	(290,348)	117,398,271	115,629,413	98.49%	-	936,906	116,566,319	99.29%
2007	102,947,673	(430,564)	102,517,109	101,029,924	98.55%	928,518	96,590	102,055,032	99.55%
2006	72,091,494	(285,771)	71,805,723	70,608,797	98.33%	887,370	30,063	71,526,230	99.61%
2005	66,714,921	(388,537)	66,326,384	65,139,162	98.21%	881,764	65,501	66,086,427	99.64%
2004	63,298,631	(166,504)	63,132,127	61,773,444	97.85%	1,090,333	52,284	62,916,061	99.66%
2003	58,548,368	(239,190)	58,309,178	57,047,655	97.84%	1,048,133	29,254	58,125,042	99.68%
2002	54,049,957	(399,643)	53,650,314	52,631,196	98.10%	854,971	10,283	53,496,450	99.71%
2001	50,531,025	(291,035)	50,239,990	49,338,453	98.21%	747,132	4,803	50,090,388	99.70%
2000	46,191,772	(207,029)	45,984,743	45,158,965	98.20%	686,517	3,033	45,848,515	99.70%

- a) As reported in notes to the financial statements for the year of the levy (Current Yr source: Report TC161)
- b) As of August 31st of the current reporting year (Report TC161)
- c) Property tax only - does not include penalties and interest as reported in notes to the financial statement (Current Yr source: Report TC168)
- d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy (roll-forward balances from prior year)
- e) Represents current year collections of prior years levies (Report TC168 YTD Paid)

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

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

	For the Fiscal Year Ended August 31 (amounts expressed in thousands)									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Bonded Debt										
General obligation bonds	\$ 419,299	\$ 430,393	\$ 435,819	\$ 75,154	\$ 19,604	\$ 24,696	\$ 31,756	\$ 38,861	\$ 44,643	\$ 48,855
Tax notes	106,155	116,010	39,410	40,320	5,695	8,155	-	-	-	-
Less: Funds restricted for debt service	3,016	3,420	2,297	1,626	2,532	2,015	1,454	1,455	1,799	332
Net general bonded debt	\$ 522,438	\$ 542,983	\$ 472,932	\$ 113,848	\$ 22,767	\$ 30,836	\$ 30,302	\$ 37,406	\$ 42,844	\$ 48,523
Other Debt										
Revenue bonds	\$ 72,900	\$ 76,180	\$ 74,270	\$ 67,645	\$ 67,625	\$ 69,730	\$ 62,017	\$ 63,270	\$ 32,615	\$ 35,375
Notes payable	207	690	1,145	1,605	2,036	2,451	2,850	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	160	311	453
Total Outstanding Debt	\$ 595,545	\$ 619,853	\$ 548,347	\$ 183,098	\$ 92,428	\$ 103,017	\$ 95,169	\$ 100,836	\$ 75,770	\$ 84,351
General Bonded Debt Ratios										
Per Capita	\$ 321.92	\$ 340.54	\$ 308.55	\$ 76.45	\$ 15.45	\$ 21.15	\$ 21.02	\$ 26.24	\$ 30.40	\$ 34.84
Per FTSE	14,248	15,813	14,148	3,515	686	934	962	1,299	1,640	1,914
As a percentage of Taxable Assessed Value	0.52%	0.60%	0.61%	0.17%	0.04%	0.05%	0.06%	0.07%	0.09%	0.11%
Total Outstanding Debt Ratios										
Per Capita	\$ 366.96	\$ 388.75	\$ 357.76	\$ 122.95	\$ 62.72	\$ 70.66	\$ 66.01	\$ 70.73	\$ 53.77	\$ 60.56
Per FTSE	\$ 16,242	\$ 18,052	\$ 16,404	\$ 5,653	\$ 2,783	\$ 3,120	\$ 3,020	\$ 3,502	\$ 2,901	\$ 3,328
As a percentage of Taxable Assessed Value	0.60%	0.69%	0.71%	0.27%	0.15%	0.17%	0.17%	0.20%	0.16%	0.19%

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

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

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

General Obligation Bonds (amounts expressed in thousands)

For the Year Ended August 31	Net Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment of		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:	
			General Obligation Bonds	General Obligation Debt						Maintenance and Operation	Statutory Tax Limit: Debt Service
2009	\$ 99,836,254	\$ 15,863,981	\$ 3,016	\$ 15,860,965	\$ 31,171	\$ 15,829,794	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	
2000	43,592,271	7,086,795	332	7,086,463	12,512	7,073,951	0.17%	0.25000	0.08743	0.16257	

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

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)					Debt Service Requirements (\$000 omitted)				Coverage Ratio
	Tuition	General Fee	Investment Income	Auxiliary Income	Total	Principal	Interest	Total		
2009	\$ 14,294 (2)	\$ 16,269	\$ 1,045	\$ 3,548	\$ 35,156	\$ 3,280	\$ 3,388	\$ 6,668	5.27	
2008	14,315 (2)	15,209	4,272	3,501	37,298	3,240	3,434	6,674	5.59	
2007	12,783 (2)	14,038	5,034	3,232	35,087	2,650	2,981	5,631	6.23	
2006	11,790 (2)	13,038	3,194	2,826	30,849	2,415	3,216	5,631	5.48	
2005	11,532 (2)	12,973	2,023	2,806	29,334	2,105	3,150	5,255	5.58	
2004	10,482 (2)	10,283	1,100	2,411	24,275	1,000	2,828	3,828	6.34	
2003	9,419 (2)	9,756	1,320	2,023	22,518	1,253	3,668	4,921	4.58	
2002	1,492 (1)	8,937	2,131	1,729	14,289	704	3,895	4,599	3.11	
2001	1,386 (1)	7,280	3,247	1,565	13,478	2,760	2,513	5,273	2.56	
2000	1,332 (1)	6,004	3,222	1,606	12,164	2,650	2,544	5,194	2.34	

(1) \$15.00 per semester headcount, \$7.50 per summer semester

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

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

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

Calendar Year	District Population	District Personal Income		District Unemployment Rate
		(\$ Thousands of Dollars)	Per Capita	
2008	1,622,899	\$ 55,410,480 ⁽¹⁾	\$ 34,943 ⁽¹⁾	4.7%
2007	1,590,146	54,324,000	34,163	4.2%
2006	1,551,362	51,588,829	33,172	4.7%
2005	1,512,654	46,775,585	30,843	5.1%
2004	1,448,264	43,888,472	29,435	5.8%
2003	1,462,550	41,382,567	28,253	6.2%
2002	1,440,092	39,571,644	27,453	5.8%
2001	1,414,634	39,085,591	27,612	4.7%
2000	1,392,931	38,189,928	27,321	4.1%
1999	1,378,688	34,521,637	25,039	3.2%

Source: Texas Workforce Commission, LMI Tracer, Data Link as of 9/01/09

(1) Data are estimates; data from Texas Workforce Commission will not be published until January 2010.
 2007 District Personal Income & Per Capital Income from Bureau of Economic Analysis.

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

**Statistical Supplement 13
Principal Employers
Current Fiscal Year
(Unaudited)**

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

(1) 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)

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

(3) Source: City of San Antonio Planning Office

(4) Source: San Antonio Economic Development Foundation

(5) Excludes substitute and part-time employees

(6) Excludes temporary employees

Note:

The District previously did not present this schedule and chose to implement prospectively.

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

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Faculty - FT	1,049	1,024	1,052	992	992	964	961	915	869	828
Faculty - PT	2,957	2,865	3,011	3,052	3,345	3,228	3,034	2,771	2,572	2,597
Faculty - Total	4,006	3,889	4,063	4,044	4,337	4,192	3,995	3,686	3,441	3,425
Faculty - % FT	26.19%	26.33%	25.89%	24.53%	22.87%	23.00%	24.06%	24.82%	25.25%	24.18%
Faculty - % PT	73.81%	73.67%	74.11%	75.47%	77.13%	77.00%	75.94%	75.18%	74.75%	75.82%
Staff & Administrators FT	1,823	1,763	1,814	1,720	1,620	1,568	1,516	1,418	1,305	1,239
Staff & Administrators PT	888	887	930	926	1,050	964	1,079	1,195	1,094	1,042
Staff & Administrators Total	2,711	2,650	2,744	2,646	2,670	2,532	2,595	2,613	2,399	2,281
Staff & Administrators % FT	67.24%	66.53%	66.11%	65.00%	60.67%	61.93%	58.42%	54.27%	54.40%	54.32%
Staff & Administrators % PT	32.76%	33.47%	33.89%	35.00%	39.33%	38.07%	41.58%	45.73%	45.60%	45.68%
Full-time Student Equivalents (FTSE*)	36,668	34,173	33,428	33,249	33,173	32,889	32,282	29,536	26,817	26,025
Students per FT Faculty Member	35.0	33.4	31.8	33.5	33.4	34.1	33.6	32.3	30.9	31.4
Students per PT Faculty Member	20.1	19.4	18.4	19.3	20.5	21.0	21.3	20.8	20.5	21.0
Average Annual FT Faculty Salary	\$ 54,121	\$ 52,939	\$ 51,240	\$ 50,142	\$ 49,752	\$ 48,415	\$ 48,189	\$ 46,939	\$ 45,476	\$ 42,435

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):
Semester credit hours divided by 30 plus non-semester (continuing education) hours divided by 900

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

**Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(Unaudited)**

Gender	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	30,386	58.09%	29,341	58.65%	29,350	59.31%	29,284	59.81%	29,647	59.91%
Male	21,920	41.91%	20,688	41.35%	20,138	40.69%	19,674	40.19%	19,838	40.09%
Total	52,306	100.00%	50,029	100.00%	49,488	100.00%	48,958	100.00%	49,485	100.00%

Ethnic Origin	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	20,202	38.62%	19,753	39.48%	19,725	39.86%	19,513	39.86%	19,264	38.93%
Hispanic	26,357	50.39%	24,956	49.88%	24,585	49.68%	24,403	49.84%	25,048	50.62%
African American	3,717	7.11%	3,453	6.90%	3,352	6.77%	3,267	6.67%	3,489	7.05%
Asian	1,414	2.70%	1,314	2.63%	1,248	2.52%	1,133	2.31%	1,051	2.12%
Foreign	408	0.78%	342	0.68%	389	0.79%	390	0.80%	403	0.81%
Native American	208	0.40%	211	0.43%	189	0.38%	252	0.51%	230	0.47%
Total	52,306	100.00%	50,029	100.00%	49,488	100.00%	48,958	99.99%	49,485	100.00%

Age	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	7,398	14.14%	6,278	12.55%	5,323	10.76%	5,240	10.70%	4,898	9.90%
18 - 21	20,514	39.22%	19,539	39.05%	19,348	39.10%	18,845	38.49%	18,698	37.78%
22 - 24	7,257	13.87%	7,338	14.67%	7,246	14.64%	7,179	14.66%	7,289	14.73%
25 - 35	11,300	21.60%	11,068	22.12%	11,482	23.20%	11,400	23.29%	11,850	23.95%
36 - 50	4,934	9.43%	4,901	9.80%	5,131	10.37%	5,318	10.86%	5,720	11.56%
51 and Over	903	1.74%	905	1.81%	956	1.93%	976	2.00%	1,030	2.08%
Unknown					2	0.00%				
Total	52,306	100.00%	50,029	100.00%	49,488	100.00%	48,958	100.00%	49,485	100.00%

Average Age	24.2	24.4	24.8	25	25.3
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ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Statistical Supplement 17
Transfers to Senior Institutions
2005 Fall Students as of Fall 2006*
(Includes only public senior colleges in Texas)
(Unaudited)

		Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1	UT San Antonio	3,153	454	47	3,654	47.65%
2	Texas State University	754	128	8	890	11.62%
3	Texas A&M	744	92	3	839	10.95%
4	UT Austin	672	51	1	724	9.45%
5	Texas A&M Kingsville	494	76	5	575	7.50%
6	Texas Tech	220	21	1	242	3.16%
7	Texas A&M Corpus Christi	92	22	1	115	1.50%
8	University of North Texas	95	13	3	111	1.45%
9	Angelo State University	49	6	1	56	0.73%
10	University of Houston	39	11	1	51	0.67%
11	Sam Houston State	44	2	2	48	0.63%
12	UT Arlington	33	3	1	37	0.48%
13	Texas A&M Commerce	35			35	0.46%
14	Stephen F. Austin	30	3		33	0.43%
15	UT Pan American	23	5		28	0.37%
16	Tarleton State	21	4		25	0.33%
17	UT Dallas	22	1		23	0.30%
18	Texas A& M Galveston	18	1		19	0.25%
19	Texas A&M International	11	4	3	18	0.23%
20	Prairie View A&M	14	3		17	0.22%
21	Texas Woman's University	11	5		16	0.21%
22	Sul Ross State University	14	1		15	0.20%
23	Texas Southern University	11	2		13	0.17%
24	Midwestern University	9	3		12	0.16%
25	Lamar University	11			11	0.14%
26	West Texas A&M	10			10	0.13%
27	UT El Paso	8	1		9	0.12%
28	UT Brownsville	6	1		7	0.09%
29	University of Houston Downtown	5			5	0.07%
30	University of Houston Victoria	4	1		5	0.07%
31	UT Permian Basin	5			5	0.07%
32	UT Tyler	4	1		5	0.07%
33	Sul Ross- Rio Grande	4			4	0.05%
34	University of Houston Clear Lake	3			3	0.04%
35	Texas A&M Texarkana	1	1		2	0.03%
Totals		6,669	916	77	7,662	100.00%

Source: THECB Report ASALFS Students Pursuing Additional Education

*Latest information available

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

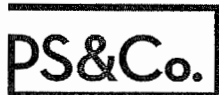
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2005 to 2009
(Unaudited)

	Fiscal Year				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Academic Buildings	120	91	88	70	69
Square Footage (in thousands)	2,768,921	2,570,953	2,132,353	2,132,353	2,100,353
Libraries	6	7	6	6	5
Square Footage (in thousands)	370,407	311,863	193,404	193,404	187,644
Number of Volumes (in thousands)	665,572	674,638	674,638	482,047	504,035
Administrative and Support Buildings	60	44	15	15	15
Square Footage (in thousands)	684,443	591,175	147,380	147,380	147,380
Parking Garages	1	1			
Square Footage (in thousands)	394,000	394,000			
Dining Facilities	6	5	5	5	5
Square Footage (in thousands)	85,068	63,530	48,085	48,085	48,085
Average Daily Customers	2,193	2,193	2,259	2,395	2,722
Athletic Facilities	7	4	4	4	4
Square Footage (in thousands)	246,656	188,501	191,706	191,706	191,706
Gymnasium Buildings	5	4	4	4	4
Fitness Centers	5	4	4	4	4
Tennis Courts	18	14	8	8	8
Swimming Pools	3	3	4	4	4
Plant Facilities	21	10	4	4	4
Square Footage (in thousands)	495,855	87,628	38,115	38,115	38,115
Transportation					
Cars	35	32	34	42	35
Trucks/Vans	76	64	68	85	59
Buses	2	2	2	2	2
ADA Parking Spots	464	401	317	317	301
Non ADA Parking Spots	14,015	13,697	8,944	8,944	8,694

Single Audit Section



ALAMO
COLLEGES



Padgett Stratemann & Co. LLP

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

Independent Auditors' 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*

To the Board of Trustees
Alamo Community College District
San Antonio, Texas

We have audited the statement of net assets of Alamo Community College District (the "District") as of August 31, 2009, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended, and have issued our report thereon dated December 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's

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financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-01, 09-02, and 09-03 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 1, 2009.

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended for the information of the audit committee, management, others within the District, the Board of Trustees, federal and 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.

Padgett, Stratmann & Co., L.L.P.

Certified Public Accountants
December 1, 2009



Padgett Stratemann & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

Independent Auditors' Report on Compliance
With Requirements Applicable to Each Major
Program and Internal Control over Compliance
in Accordance With OMB Circular A-133

To the Board of Trustees
Alamo Community College District
San Antonio, Texas

Compliance

We have audited the compliance of Alamo Community College District (the "District") with the types of compliance requirements described in the United States 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, 2009. The District's major federal programs are identified in the summary of auditors' results section of the accompanying federal 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 the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying federal schedule of findings and questioned costs as item 09-04, 09-05, and 09-06.

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Internal Control Over Compliance

The management of the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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.

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended for the information of the audit committee, management, others within the District, the Board of Trustees, 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.

Radgett, Stratmann & Co., L.L.P.

Certified Public Accountants
December 1, 2009



Padgett Stratemann & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

Independent Auditors' Report on Compliance
With Requirements Applicable to Each Major
Program and Internal Control over Compliance
in Accordance With UGMS Single Audit Circular

To the Board of Trustees
Alamo Community College District
San Antonio, Texas

Compliance

We have audited the compliance of Alamo Community College District (the "District") with the types of compliance requirements described in the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards ("UGMS")*, which includes the *State of Texas Single Audit Circular*, that are applicable to each of its major state programs for the year ended August 31, 2009. The District's major state programs are identified in the summary of auditors' results section of the accompanying state 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 the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the 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, 2009.

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Internal Control Over Compliance

The management of the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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 for the information of the audit committee, management, others within the District, the Board of Trustees, 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.

Padgett, Stratmann & Co., L.L.P.

Certified Public Accountants
December 1, 2009

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>Federal – CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.031	Higher Education Institutional Aid Program
Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grants ("FSEOG")
84.032	Federal Family Education Loan Program ("FFEL")
84.033	Federal Work-Study Program ("FWS")
84.063	Federal Pell Grant Program ("Pell")
84.375	Academic Competitiveness Grant ("ACG")

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

A. Summary of Auditors' Results (continued)

<u>State – Contract Number(s)</u>	<u>Name of State Program or Cluster</u>
N/A 2008 SDF001	Texas Grant Initial and Renewal Texas Workforce Commission – Engineering and Performance Enhancement
Dollar threshold used to distinguish between type A and type B programs:	
Federal	<u>\$ 3,688,298</u>
State	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	
Federal	_____ Yes <u> X </u> No
State	_____ Yes <u> X </u> No

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Section B – Financial Statement Findings

Finding 09-01 – Human Resources and Payroll

Type of Finding – Significant Deficiency

Criteria: Payroll costs and related benefits are a significant portion of the District’s total operating costs. From an internal control over financial reporting perspective, it is important to implement, maintain, and monitor controls and processes to ensure costs are properly recorded and reported.

Condition: As noted in the prior years’ management letters:

- The District continues to use manual handwritten timecards which could lead to errors when inputting information.
- The recording of vacation and sick time used is manually written on forms that on occasion are not received by the payroll or human resources office on a timely basis.

During our testing of payroll and benefits, we noted the following exceptions:

- During our payroll test of controls, we noted 1 exception in our sample of 40 (exception rate of 2.5%) when a timecard was not retained for a classified employee, as required by District policy.
- We also noted a batch of manual checks was voided, but the manual check log and the positive pay file sent to the bank had not been updated to indicate the checks were voided.

We also performed audit procedures to test the adequacy of policies, procedures, files, and forms that document the phases of the human resources management processes. A complete copy of the procedures performed and results is attached at Appendix I to the letter of conduct and management letter. The following were noted as a result of our testing:

- A total of four of five (exception rate of 80%) I-9 forms were found to be incomplete, and/or completed incorrectly. One I-9 form was not found while on-site review was conducted. According to the United States Citizenship and Immigration Services, “If the employer fails to properly complete, retain, and/or make available for inspection Forms I-9 as required by law, the employer may face civil money penalties in an amount of not less than \$110 and not more than \$1,100 for each violation.”

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

- An annual update of the employee handbook has not occurred since 2006. The handbook should contain recent legislative changes, such as Family and Medical Leave Act (“FMLA”), that affect employee notification of rights. Failure to provide notification of required employee rights within the handbook may create significant risk. While there is no specific regulation that requires an employer to maintain an employee handbook, certain employment laws do require that employees be advised of their rights under these laws (e.g., FMLA). Employee handbooks, and maintaining signed acknowledgments of receipt of these handbooks, provides documented evidence that employees have received the information. Since the District maintains an employee handbook, it is vital the District update policies to ensure employees are provided current and accurate information.

In 2007 the internal audit department performed a payroll review and noted the following internal control deficiencies, among others, from a review of payroll and related business processes:

- The Human Resources Department did not have adequate procedures.
- Additional supervisory training is needed for the procedures already in place.
- The District is not complying with the completion and retention of federally mandated forms, such as I-9 forms. In addition, retrieval of documents is difficult due to the organization of scanned documents.
- Several employees have system rights that appear unrelated to their job duties.
- System rights are improperly granted to departments or work groups, rather than to individual employees.

The testing of human resources management processes indicated a number of these issues have not, as yet, been resolved or corrected.

Possible Asserted Cause and Effect: The number and combination of deficiencies identified creates the likelihood of potential misstatements in the accounting and reporting of payroll costs and related benefits.

Recommendation: We noted certain changes and related improvements in the human resources and payroll areas; however, additional changes are needed. We understand the District is conducting a Business Process Analysis (“BPA”) for the Banner Human Resources and Payroll areas to address prior external and internal audit recommendations and control deficiencies. We recommend the District ensure the BPA process addresses and resolves the above items with the Banner System conversion or as soon as possible thereafter.

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Questioned Cost: None

Views of Responsible Officials and Corrective Action Plan:

The BPA for Banner Human Resources and Payroll has been completed. New business processes to support full automation have been established. Additionally, new business processes which centralize control of key processes, such as completing the I-9 forms, will take place in conjunction with this implementation. Implementation of Banner Human Resources and Payroll is on track for January 1, 2010, with phase-in of web time entry and electronic personnel action requests during February 2010-May 2010. Additional training is in development for release in 2010, which will incorporate redesigned human resources procedures and new business processes.

Implementation Date: 2010

Responsible Person: Vice Chancellor of Finance and Administration

Finding 09-02 – Capital Assets

Type of Finding – Significant Deficiency

Criteria: In accordance with Governmental Accounting Standards Board Statement (“GASB”) No. 34, the District is required to report capital asset balances and related depreciation in its financial statements.

Condition: During our testing of fixed assets, we noted the following exceptions:

- Depreciable assets in the amount of \$1,611,605 were incorrectly recorded to the land asset category.
- For all software additions selected, we noted one of the samples had software support costs that were incorrectly capitalized. These costs should be expensed and treatment should be consistent from year-to-year.
- The District does not currently have an approved capitalization policy.
- There were nine equipment items that were not accurately depreciated during the current year, due to an error in the Banner system that would not allow depreciation to be taken on these items; therefore, depreciation expense was understated by approximately \$96,000.

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

- We noted the District does not perform an annual inventory of software to ensure the software is still in use and valid.

Possible Asserted Cause and Effect: As a result of the conditions described above, the District adjusted \$1,611,605 from the land asset category to the other real estate improvements category.

Recommendation: We recommend the District have an approved capitalization policy and reinforce its guidelines for classifying assets and determining when assets should be capitalized, the useful lives of asset types, the depreciation process by asset type, and the appropriate time to capitalize construction in progress. We also recommend an annual inventory of software. Based on the Government Finance Officers Association's recommended practice regarding inventory, it is essential governments establish and maintain appropriate inventory systems for their tangible capital assets to protect these assets from the danger of loss or misuse.

Questioned Cost: None.

Views of Responsible Officials and Corrective Action Plan:

The capitalization policy is documented and approved by the Board of Trustees (the "Board") annually; however, the capitalization thresholds will be included in the written policies. This policy will be recommended to the Policy and Long Range Planning Committee by February 2010. Detailed capitalization written guidelines utilized by the Finance and Fiscal Services Department will be published on the web site during 2010.

Implementation Date: 2010

Responsible Person: Vice Chancellor for Finance and Administration

Finding 09-03 – Internal Audit Activity – Formal Responses to Internal Audit Reports

Type of Finding – Significant Deficiency

Criteria: The internal audit function is a critical element of any entity's control environment.

Condition: In August 2008, the District issued a memorandum outlining a protocol for staff engagement with internal audit projects, which addressed providing timely formal responses to audit recommendations. During Fall 2008, management issued formal responses for two major internal audit projects.

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Subsequently, reports for three other audits have been issued to management. At this time, the formal responses to these audit reports still need to be coordinated and finalized. The responses for these three internal audit reports are from areas outside the finance and fiscal services department.

Possible Asserted Cause and Effect: Timely formal responses with specific measurable corrective action steps to internal audit reports are a critical part of the internal control process. These reports have also identified material weaknesses and significant deficiencies which require action as soon as possible.

Recommendation: We recommend:

- The District consider identifying “an owner” to consolidate responses to internal audit reports to provide formal responses with measurable corrective action plans in a timely matter.
- Internal audit department implement a process to begin providing the District feedback on the status of the corrective actions completed by management and the status of those still in progress.
- Internal audit department continue to focus on the highest risk areas of the District, to identify areas for improvement, and issue reports and related recommendations on a timely basis.

Questioned Cost: None.

Views of Responsible Officials and Corrective Action Plan:

A written procedure will be presented to the Chancellor to formalize this process in 2010. The procedure will include a coordination point for consolidating the responses and providing a formal written response. A status report will be implemented in early 2010 to management and the Board.

Implementation Date: 2010

Responsible Person: Vice Chancellor for Finance and Administration/District Director of Internal Audit

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Section C – Federal and State Award Findings and Questioned Costs

Federal Awards:

Finding 09-04 – Student Financial Aid

Student Financial Assistance Cluster CFDA #'s: 84.032, 84.033, 84.063, and 84.375

Agency: Department of Education:

Federal Award Numbers Pell – P063P085081, ACG – P375A085081, SEOG – P007A084113,
FWS – P033A084113; Federal Award Year 200984.007,

Pass-Through Entity: Not applicable

Type of Finding: Noncompliance Special Tests and Provisions – *Return of Title IV Funds and Student Status Changes*

Criteria: Grant compliance requirements, as noted from the OMB Circular A-133 Compliance Supplement for Student Financial Assistance Cluster, include the following:

- Special Tests and Provisions, Section 4, *Return of Title IV Funds* – the District must return the lesser of: (1) the total amount of unearned Title IV assistance or (2) an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student.
- Special Tests and Provisions, Section 5, *Student Status Changes* – the District must report a student status change to the National Data Clearinghouse with 30 days, or include it in a student roster file within 60 days, if a student withdraws or graduates from school and is receiving student loan money.

Condition: During our testing of the grant compliance requirements for student financial aid, we noted the following exceptions:

- Out of a sample of 40 students, there were 2 exceptions (exception rate of 7.5%) pertaining to the institutions return of unearned aid, where the amounts were calculated incorrectly, with a net error of \$76 over refunded to the federal agency.

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

- Out of a sample of 40 students, we noted 4 exceptions (exception rate of 10%) during our testing of the requirements of reporting changes in students' enrollment status. Three students we selected graduated effective December 14, 2008, and the students' status change was not reported. A fourth student graduated effective December 12, 2008, and the status change was not reported.

Possible Asserted Cause and Effect: The District was not in compliance with all grant requirements for Student Financial Aid.

Recommendation: We recommend the following:

- The District make an assessment of the information technology resources and reporting capabilities necessary to assist Student Financial Services in refunding unearned aid back to the federal government within the allotted time, as required by the grant.
- The District improve its process for reporting student status changes to include students who may have holds on their records.

Questioned Costs: Known questioned costs – \$76, and likely questioned costs – \$4,771

Views of Responsible Officials and Corrective Action Plan:

The BPA for Banner Student is underway to re-engineer financial aid processes. New business processes and training to support the automation in the Banner Student will be established during fiscal year 2010 and is expected to address these deficiencies by providing more robust and integrated student financial aid processes.

Implementation Date: 2010

Responsible Person: Vice Chancellor for Student Success

Finding 09-05 – Student Financial Aid

Student Financial Assistance Cluster CFDA #'s: 84.007, 84.032, 84.033, 84.063, and 84.375

Agency: Department of Education:

Federal Award Numbers Pell – P063P085081, ACG – P375A085081, SEOG – P007A084113, FWS – P033A084113; Federal Award Year 2009

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Pass-Through Entity: Not applicable

Type of Finding: Noncompliance Eligibility – Disbursements to or on Behalf of Students

Criteria: Grant compliance requirements, as noted from the OMB Circular A-133 Compliance Supplement for Student Financial Assistance Cluster, include the following – Eligibility, Section 1, Federal Pell Grants, the maximum Pell Grant is established by Congress each year. The Department of Education provides to institutions Payment and Disbursement Schedules for determining Pell awards. The Payment and Disbursement Schedule provides the maximum annual amount a student would receive for a full academic year for a given enrollment status, estimated family contribution, and COA.

Condition: During our testing of the grant compliance requirements for student financial aid, we noted 1 exception out of a sample of 40 students (exception rate of 2.5%) in our eligibility testing. The Pell award was incorrectly recalculated for a student who had a change in enrollment status from full-time to 3/4 time. The Pell award was reduced as of the student's status change to 1/2 time, and therefore, was under awarded. The Pell grant indicated \$1,183, but according to the Pell chart, it should be \$1,741, based on the eligibility criteria and status of the student.

Possible Asserted Cause and Effect: The District was not in compliance with all grant requirements for Student Financial Aid.

Recommendation: We recommend the District make an assessment of the information technology resources and reporting capabilities necessary to assist Student Financial Services in monitoring, and analyzing the financial aid awarding process.

Questioned Costs: None.

Views of Responsible Officials and Corrective Action Plan:

The BPA for Banner Student is underway to re-engineer financial aid processes. New business processes and training to support the automation in the Banner Student will be established during fiscal year 2010 and is expected to address these deficiencies by providing more robust and integrated student financial aid processes.

Implementation Date: 2010

Responsible Person: Vice Chancellor for Student Success

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Finding 09-06 – Student Financial Aid

Student Financial Assistance Cluster CFDA #'s: 84.007, 84.032, 84.033, 84.063, and 84.375

Agency: Department of Education:

Federal Award Numbers Pell – P063P085081, ACG – P375A085081, SEOG – P007A084113,
FWS – P033A084113; Federal Award Year 2009

Pass-Through Entity: Not applicable

Type of Finding: Noncompliance Eligibility – Disbursements to or on Behalf of Students

Criteria: Policies and procedures should be in place and consistently followed to ensure student financial aid assistance is awarded only to the appropriate students.

Condition: In the spring of 2009, management reported to the United States Department of Education that an employee at St. Philip's College had improperly used her access to the St. Phillip's College student database which resulted in this employee/student receiving over \$2,700 in federal financial aid, a Pell Grant, and a Supplemental Education Opportunity Grant.

Possible Asserted Cause and Effect: An internal investigation reported to District management several internal control deficiencies that provided the employee an opportunity to commit this inappropriate act. The deficiencies noted included, among others, the following:

- A supervisor left a common area computer unsupervised, which was logged onto the SPC student database using her authorized operator code and password.
- The computer was not configured and did not have utility software to log-off or timeout within a few minutes of no activity.

Recommendation: We recommend the District Alamo Colleges' Student Financial Services management consistently review employee/student's satisfactory academic progress, effective family contribution, and financial aid/loan history to comply with its own procedures to review department employees' requests for financial aid. We also recommend a quarterly review of all Student Financial Services employees to validate the self-reporting process currently in place.

Questioned Costs: Known questioned costs – \$2,700

Alamo Community College District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2009

(Continued)

Views of Responsible Officials and Corrective Action Plan:

Additional training and monitoring will be implemented to improve processes for employee/student-related financial aid.

Implementation Date: 2010

Responsible Person: Vice Chancellor for Student Success

State Awards:

None reported.

Alamo Community College District

Summary Schedule of Prior Year Audit Findings

Year Ended August 31, 2009

Finding 08-08 – Student Financial Aid

Status: Not corrected.

Corrective Action Plan: The District will improve financial aid processes and training in 2010, as outputs of business process analysis and a new student information system implementation.



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Comprehensive Annual Financial Report
Published and distributed by the Finance and Fiscal Services Department
811 W. Houston Street, San Antonio, Texas 78207-3033
<http://www.alamo.edu>
(210)485-0301