

ALAMO COMMUNITY COLLEGE DISTRICT
SAN ANTONIO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021



ALAMO
COLLEGES
DISTRICT

NORTHEAST LAKEVIEW COLLEGE
NORTHWEST VISTA COLLEGE
PALO ALTO COLLEGE
ST. PHILIP'S COLLEGE
SAN ANTONIO COLLEGE

ALAMO COMMUNITY COLLEGE DISTRICT

San Antonio, Texas

Annual Comprehensive Financial Report

**For the Years Ended
August 31, 2022 and 2021**

Prepared by:

Finance and Fiscal Services Department

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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ALAMO
COLLEGES
DISTRICT

Introductory Section



ALAMO
COLLEGES
DISTRICT



March 9, 2023

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 Annual Comprehensive Financial Report (Annual Report or ACFR) for the Alamo Community College District (Alamo Colleges District, ACD or District) for the fiscal years ended August 31, 2022 and 2021. The Annual Comprehensive Financial Report has been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In March 2022, the Board of Trustees of the Alamo Colleges District selected the independent accounting firm of Weaver and Tidwell, LLP to perform the annual audit. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Uniform Guidance and State of Texas Grant Management Standards (TxGMS). The auditor's report related specifically to the single audit is included in the Single Audit Section of this ACFR.

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

Profile

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

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

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

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

support the education and lifelong learning needs of a multicultural community by providing associates degrees, certificates, pre-majors/transfer programs, continuing education, and community services. The 350+ degree and

certificate programs are arranged in six Institutes, known as the AlamoINSTITUTES, by career choices: Creative & Communication Arts, Business & Entrepreneurship, Health & Biosciences, Advanced Manufacturing & Logistics, Public Services, and Science & Technology. The Institutes have clear roadmaps to guide each student efficiently and effectively from his/her point of entry to attainment of high-quality post-secondary credentials and/or a career.

Students are taught by highly qualified faculty with Master's and Doctorate degrees who are committed to creating a learning-centered environment. Student services include advising, counseling, learning resource centers, computer labs, tutoring, financial aid services, services for the disabled, developmental instruction, veteran's services, service learning and job placement. A certified advisor works closely with each student to ensure each course taken can be counted toward the student's goal, and that completion of degrees and/or certificates can be accomplished most effectively and efficiently.

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

Economic Conditions and Outlook

In the midst of economic uncertainty across the nation, Texas and San Antonio continue to demonstrate above-average economic resiliency. According to the Federal Reserve Bank of Dallas, Texas is one of nineteen states to exceed pre-pandemic employment levels with a 4.1% increase in non-annualized job growth as of August 2022 when compared to the start of the pandemic in February 2020. In addition, the U.S. and Texas unemployment rates both increased in August 2022, while San Antonio's rate remained unchanged. San Antonio's unemployment rate as of August 2022 remained at 3.7%, the same as the national rate but below the Texas unemployment rate of 4.1%. Also according to the Federal Reserve Bank of Dallas, the San Antonio economy slowed down in August, as the business-cycle index expanded marginally as unemployment and wages remained steady while median rent increased. While wage growth was steady for San Antonio between July and August 2022, the 12-month growth in wages was 6.6% for San Antonio which outpaced gains of 3.9% for Texas and 5.2% for the United States. Finally, the trend of declining COVID-19 hospitalization rates in San Antonio continued, with a decrease of 27% from mid-August 2022 to mid-September. Despite the potential economic challenges facing San Antonio, the city's Mayor, Ron Nirenberg, remains optimistic that San Antonio is equipped to weather any potential economic recession. Nirenberg said the city's economy is more diverse than ever and that the stable military jobs sector also helps make San Antonio more recession-proof than other major U.S. cities. He added that the city will also continue to make investments to give small businesses the access they need to weather what's ahead, including access to capital and access to talent labor making sure businesses are equipped to build through the next few years as the global economy shifts.

The Alamo Colleges District has been an integral part of the Greater San Antonio community for more than 100 years, contributing significantly to the economic and social well-being of those who share this community. An economic impact study reported that 1 out of every 36 jobs in the Alamo Colleges service area is supported by the activities of the Alamo Colleges and its students. It is estimated that the average associate degree graduate from the Alamo Colleges District will see an increase in earnings of \$9,400 each year, or over \$400,000 in additional lifetime earnings compared to someone with a high school diploma working in Texas.

The District also continues to play a key role in the planned economic recovery and resiliency initiatives by the City of San Antonio and Bexar County. Launched in April 2022, the District has partnered with the City of San Antonio to launch the SA: Ready to Work program, funded through the collection of a 1/8 cent sales tax through December 2025, and aimed at providing education and training programs to help thousands of San Antonians improve their quality of life by developing skills needed to get higher-paying jobs. The total cost of the program is estimated to be over \$200 million, with over \$51 million allocated to the Alamo Colleges District as an official community partner. It is clear that the Alamo Colleges District will play an integral part of the economic recovery for San Antonio, as the largest provider of workforce training in the area.

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

- The trend of rising ad valorem tax revenues continues as revenues from ad valorem taxes increased by 5.4% in 2022 as net assessed property values of the District increased from approximately \$183.3 billion in 2021 to \$193.4 billion in 2022, providing funding for facilities repairs and maintenance. There was no increase in the District's tax rate for fiscal year 2022. The tax collection rates were approximately 99% and 101%, respectively, for 2022 and 2021. The District continues to benefit from a pattern of predictable and increasing property values.
- State appropriations for education and general state support, which are critical to keeping student tuition rates low, increased by \$1.1 million in 2022. These state appropriations are distributed based on a cost-based formula for student contact hour reimbursement, core operations funding and student success outcomes. The improvement to student success outcomes is driven by the District's strategic initiatives which have resulted in higher completion rates in a shorter amount of time. State appropriations for state group insurance and pension retirement obligations decreased \$8.2 million, for an overall net decrease of approximately \$7.1 million in total state appropriations.
- Revenues from tuition and fees decreased by approximately \$1.3 million in 2022 as a result of students taking fewer contact hours as a result of the COVID-19 pandemic. Tuition and fee rates remained unchanged from fiscal year 2021.

Strategic and Long-Term Financial Planning

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

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

Major Initiatives

The District and its partners are committed to ending poverty, enhancing economic and social mobility and meeting workforce demands in our city by joining forces to help more students complete college and obtain the necessary skills to hold high-wage, high-demand jobs. The AlamoPROMISE program, which began with high school seniors graduating in 2020, continues and is now in its fourth year, serving 11 school district partners and over 47 schools as a result of an expanded level of service that reaches more students across the region. The program ensures that tuition and mandatory fees are covered for students who graduate from participating high schools. As a last-dollar funding source, AlamoPROMISE covers the gap between financial aid and the cost of tuition for up to three years. In addition to tuition-free assistance, AlamoPROMISE scholars have access to wraparound services such as advising, career counseling, and help with financial, health and other issues that present barriers to completing a college education.



In December 2021, the Alamo Colleges District in partnership with Barnes & Noble Education, Inc., announced the launch of the AlamoBOOKS+ program, whereby all returning and new students for the Spring 2022 and Summer 2022 semesters will receive their required textbooks and course materials for free. AlamoBOOKS+ will enable the District to implement a new course material delivery model that will eliminate the cost of textbooks and ensure all students will have access to all their textbooks, digital materials and instructional materials across all courses by the first day of class, which is critical to student success. The District utilized Higher Education Emergency Relief Fund (HEERF) federal grants along with institutional resources to make the Spring and Summer 2022 offer possible to the more than 65,000 students it serves. The program is estimated to provide an average cost savings of \$170 per 3-credit hour course for an overall estimated savings for students of \$16.5 million per semester.

Awards and Acknowledgments

In May 2022, the American Association of Community Colleges (AACC) awarded the Alamo Colleges District the 2022 Award of Excellence in Student Success. The coveted annual award recognizes a community college that has shown a sustained commitment to and proactively advances the cause of student success. The District received the award for its work of offering seamless pathways to transfer to universities known as Transfer Advising Guides (TAGs). TAGs provide a two-year, course-by-course crosswalk from the Alamo Colleges to the university of choice by reverse mapping all required university degree requirements for each university major to an Alamo Colleges pre-major, saving students time and money and minimizing the loss of any credit hours. On average, TAGs provide an estimated \$40,215 savings for each student transferring to a public university over a two-year period and an average of \$65,435 in savings for each student transferring to a private university over a two-year period.



For the second year in a row, four out of the five District's Colleges were honored with a Veteran Education Excellence Recognition Award from the Texas Veterans Commission (TVC) Veterans Education Program. Northeast Lakeview College, Palo Alto College, St. Philip's College and San Antonio College were among 15 institutions of higher learning across the state to receive the Gold Award, which is the highest of three levels of recognition intended to highlight the depth and breadth of services provided to veteran students and their families. The award recognizes universities and colleges that provide excellence in education and related services that significantly contribute to the academic success of student veterans and military-connected students.

Four out of the five Alamo Colleges were recognized on the 2022 list of Most Promising Places to Work in Community Colleges by *Diverse: Issues in Higher Education* magazine. Northwest Vista College, Northeast Lakeview College, St. Philip's College and San Antonio College were included on the list of only 24 community colleges in the nation to receive the award. The national recognition celebrates student affairs workplaces that are vibrant, diverse, supportive and committed to staff work-life balance, professional development and inclusive excellence.



The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alamo Colleges District for its annual comprehensive financial report for the fiscal year ended August 31, 2021. This was the thirteenth consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Dr. Diane Snyder
Digitally signed by Dr. Diane Snyder
Date: 2023.03.08 16:33:09 -06'00'

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

Lisa L. Mazure, MSA, CPA, CGFM
Digitally signed by Lisa L. Mazure, MSA, CPA, CGFM
Date: 2023.03.10 10:41:33 -06'00'

Lisa L. Mazure, MSA, CPA
Associate Vice Chancellor
Finance and Fiscal Services



ALAMO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA August 31, 2022

ELECTED OFFICIALS

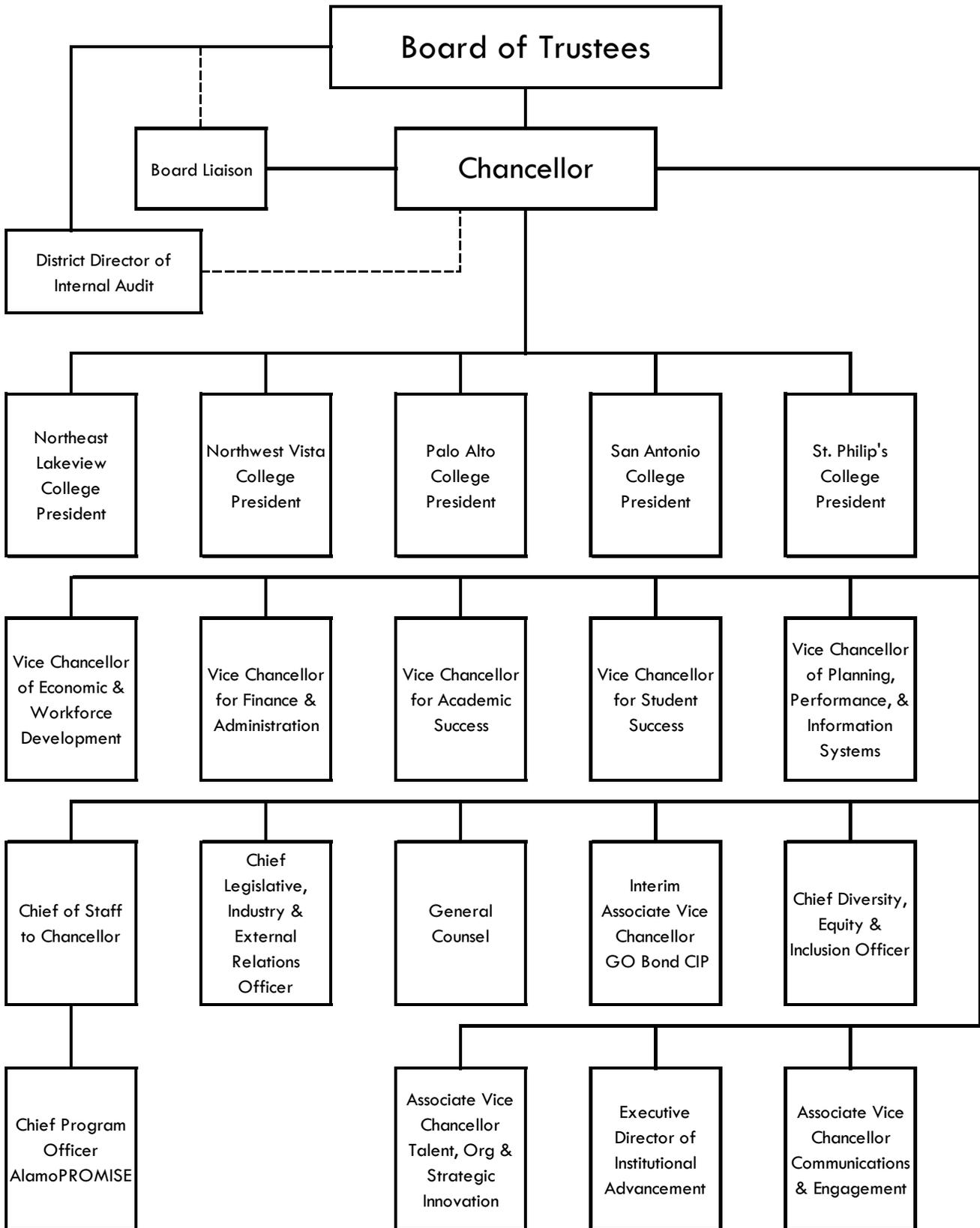
Member	Position	City, State	District	Term Expires
Roberto Zárate	Chairperson	San Antonio, Texas	5	2024
Clint Kingsbery	Vice-Chairperson	San Antonio, Texas	8	2026
Dr. Lorena Pulido	Secretary	San Antonio, Texas	4	2026
Gloria Ray	Assistant Secretary	San Antonio, Texas	2	2028
Dr. Gene Sprague	Member of the Board	Helotes, Texas	6	2024
Dr. Yvonne Katz	Member of the Board	San Antonio, Texas	7	2024
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	1	2028
Anna Uriegas Bustamante	Member of the Board	San Antonio, Texas	3	2028
Leslie Sachanowicz	Member of the Board	San Antonio, Texas	9	2026
Cara Sullivan	Student Trustee	San Antonio, Texas		*

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

ADMINISTRATIVE OFFICIALS

Dr. Mike Flores	Chancellor
Dr. Diane E. Snyder, CPA	Vice Chancellor for Finance and Administration
Xavier D. Urrutia	Interim Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Information Systems
Dr. George Railey Jr.	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Sheila Marlow Due, CFRE	Executive Director of Institutional Advancement
Dr. Veronica Garcia	President, Northeast Lakeview College
Debi Gaitan	Interim President, Northwest Vista College
Dr. Robert Garza	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Francisco E. Solis	Interim President, San Antonio College
Lisa Mazure, MSA, CPA	Associate Vice Chancellor for Finance and Fiscal Services
Patrick F. Vrba, Jr., CPA	District Controller
Frank Cortez, CIA, CISA, CISSP	District Director of Internal Audit

ALAMO COMMUNITY COLLEGE DISTRICT



ALAMO COMMUNITY COLLEGE DISTRICT

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

MISSION

Empowering our diverse communities for success.

VISION

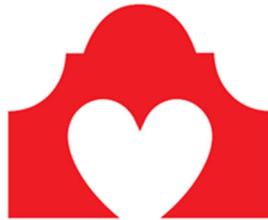
The Alamo Colleges District will be the best in the nation in Student Success and Performance Excellence.

VALUES

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



STUDENTS FIRST



RESPECT FOR ALL



COMMUNITY-ENGAGED



CAN-DO SPIRIT



COLLABORATION



DATA-INFORMED



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Alamo Community College District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO



Financial Section



Independent Auditor's Report

To the Board of Trustees
Alamo Community College District

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Alamo Community College District (the District), as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of August 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units, ACCD Public Facility Corporation and Alamo Colleges Foundation, Inc., as of and for the years ended August 31, 2022 and 2021 and December 31, 2021 and 2020, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for these component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of Alamo Colleges Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, during the year ended August 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information and Schedules of Expenditures of Federal and State Awards, as required Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *Texas Grant Management Standards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory, the Other Information – by Location and statistical sections, as listed in the table of contents, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Board of Trustees
Alamo Community College District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 9, 2023



ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis (MD&A) is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (Alamo Colleges District, District or ACCD) for the fiscal year ended August 31, 2022. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

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

The District's financial report includes three basic financial statements: The Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2022; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the fiscal year. Highlighted information from each basic financial statement is presented below.

- The District's net position at August 31, 2022 was \$389.6 million, reflecting a \$84.1 million increase from the prior year.
- Total assets increased \$9.2 million and total liabilities decreased \$90.5 million.
- The District's operating loss was \$440.6 million.
- Cash and Cash Equivalents increased \$30.4 million during the year ended August 31, 2022.
- The bond rating for the District's general obligations bonds is Aaa by Moody's Investors Service and AAA by S&P Global Ratings, the highest rating possible from both respective agencies.

FY2021

- The District's net position at August 31, 2021 was \$305.5 million, reflecting a \$78.9 million increase from the prior year.
- Total assets increased \$281.6 million and total liabilities increased \$189.3 million.
- The District's operating loss was \$391.2 million.
- Cash and Cash Equivalents decreased \$83.4 million during the year ended August 31, 2021.
- The bond rating for the District's general obligations bonds is Aaa by Moody's Investors Service and AAA by S&P Global Ratings, the highest rating possible from both respective agencies.

The financial statements for the District's component unit, the Alamo Colleges Foundation, Inc. (the Foundation), are discretely presented with the financial statements of the District since the economic resources received or held by the Foundation that the District is entitled to, or has the ability to otherwise access, are significant (Notes 1 and 25). The separately issued financial statements of the Foundation can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

In fiscal year 2012, the Alamo Colleges District formed the ACCD Public Facility Corporation (the PFC) for the sole purpose of assisting the District in the financing or acquisition of public facilities. The PFC was incorporated on September 23,

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Management's Discussion and Analysis (Unaudited)

2011 as a public non-profit corporation under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended.

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No: 14 and No: 34*, the PFC is reported as a discrete component unit in the financial statements of the District (Notes 1 and 26). The separately issued financial statements of the PFC can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

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

Ongoing Impact of Coronavirus (COVID-19) Pandemic

The Alamo Community College District and the communities it serves continue to recover from the impact of the global pandemic caused by the Coronavirus, commonly referred to as COVID-19. The effects of COVID-19 disrupted normal operations throughout the District, including requiring for the provision of online teaching and learning, as well as remote and hybrid work schedules for employees. The primary financial impacts include an unprecedented amount of federal and state grants awarded to the District's member Colleges and distributed to students in the form of scholarships and emergency aid, most significantly under the various tranches of the Higher Education Emergency Relief Fund (HEERF), which includes the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARP). Other financial impacts included the restriction of travel expenses and expenses for on-site events, and significant expenditures for technology to be distributed to students, faculty and staff to support remote teaching, learning and working. Throughout each of the sections of this Management's Discussion and Analysis, references will be made to the coronavirus and COVID-19 and the resulting impacts to the District's revenues, expenses and other financial statement balances.

Statements of Net Position

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

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, capital assets, long-term investments and other assets not classified as current. Noncurrent liabilities include bonds and tax notes payable, net pension liability, net other postemployment benefit (OPEB) liability and other long-term commitments. Deferred outflows of resources represent a consumption of net position applicable to a future reporting period. The District's deferred outflows of resources include deferred charges on bond refundings, deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB. Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period. The District's deferred inflows of resources include deferred charges on bond refundings, deferred inflows of resources related to pensions, deferred inflows of resources related to OPEB and deferred inflows related to leases.

A Condensed Schedule of Net Position and analysis is presented on the following pages. In fiscal year 2022, total assets increased \$9.2 million, or 0.6%, due to increases in cash and cash equivalents and net capital assets of \$30.4 million and \$109.5 million, respectively, offset by a \$135.1 million decrease in investments. Construction in progress and buildings and building improvements capital asset categories both increased significantly as a result of the ongoing \$450 million bond construction program authorized by voters in fiscal year 2017.

Total assets for fiscal year 2021 increased \$281.6 million, or 24.4%, due to increases in investments, net capital assets and accounts receivable of \$239.6 million, \$104.8 million and \$22.4 million, respectively, partially offset by a \$83.4 million decrease in cash and cash equivalents. Construction in progress and buildings and building improvements capital

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asset categories both increased significantly as a result of the ongoing, voter authorized, \$450 million bond construction program authorized by voters in fiscal year 2017.

Total liabilities decreased by \$90.5 million or 8.1% in fiscal year 2022 with a decrease in current liabilities of \$24.0 million coupled with a decrease in noncurrent liabilities of \$66.5 million. The \$24.0 million decrease to current liabilities was primarily related to a \$12.4 million decrease to accounts payable and accrued liabilities, and a reduction of \$12.9 million in the current portion of long-term liabilities. The \$66.5 million decrease to noncurrent liabilities resulted mainly from decrease to bonds and tax notes payable resulting from scheduled and additional bond payments and refinancings. For more information, see Note 7.

For fiscal year 2021, total liabilities increased by \$189.3 million or 20.3% with an increase in current liabilities of \$27.1 million coupled with an increase in noncurrent liabilities of \$162.2 million. The \$27.1 million increase to current liabilities was primarily related to a \$31.0 million increase to accounts payable and accrued liabilities, a \$7.7 million increase in unearned revenues, offset by a reduction of \$11.6 million in the current portion of long-term liabilities. The \$162.2 million increase to noncurrent liabilities resulted mainly from the \$252.7 million increase to bonds and tax notes payable primarily related to the \$196.0 million issuance of the second tranche of the \$450 million voter-approved bond construction program, partially offset by the \$92.7 million decrease to bonds and tax notes payable resulting from scheduled and additional bond payments and refinancings. For more information, see Note 7.

In fiscal year 2022, deferred outflows of resources decreased \$2.7 million due to a decrease to deferred outflows of resources related to pensions of \$5.4 million, offset by an increase in deferred outflows of resources related to OPEB of \$3.1 million. Both of these changes are mainly due to changes in actuarial assumptions. Deferred inflows of resources increased \$13.1 million primarily related to increases in deferred inflows of resources related to pensions of \$28.2 million due primarily to differences between actual and projected earnings, offset by a decrease in deferred inflows related to OPEB of \$18.5 million due to changes in actuarial assumptions. A new category of deferred inflows related to leases, contributed \$3.8 million to the increase in deferred inflows.

In fiscal year 2021, deferred outflows of resources decreased \$15.2 million due to decreases to deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB of \$5.1 million and \$9.7 million, respectively. Deferred inflows of resources decreased \$1.9 million primarily related to decreases in deferred inflows of resources related to pensions and OPEB of \$4.8 million and \$0.9 million, respectively, offset by an increase of \$2.6 million to deferred inflows of resources related to bond refundings and a \$1.2 million increase in deferred inflows of resources related to leases resulting from the implementation of GASB 87, which resulted in a restatement of the prior year amounts.

The District's net position at August 31, 2022 was \$389.6 million compared to \$305.5 million at August 31, 2021. All classifications of net position increased by a combined \$84.1 million, with the largest increases being \$51.0 million to net investment in capital assets and \$27.0 million to unrestricted net position. The fiscal year 2022 increases to net position are due to conservative spending, disruptions in vendor supply chains causing some projects to be delayed, additional federal aid related to the pandemic, and tax revenues received for payment of debt that increased equity in capital assets. In fiscal year 2021, the District's net position increased \$78.9 million, with the largest increases being \$36.8 million to net investment in capital assets and \$32.0 million to unrestricted net position. The fiscal year 2021 increases to net position are due to conservative spending, disruptions in vendor supply chains causing some projects to be delayed, cost savings related to the pandemic in areas such as travel, events, and utility and custodial costs, additional federal aid related to the pandemic, and tax revenues received for payment of debt that increased equity in capital assets.

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

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

	Fiscal Year			Change	
	2022	2021, as Restated	2020	2021 to 2022	2020 to 2021
Assets					
Cash and cash equivalents	\$ 107.0	\$ 76.6	\$ 160.0	\$ 30.4	\$ (83.4)
Accounts and notes receivable, net	34.1	33.1	10.7	1.0	22.4
Investments	259.6	394.7	155.1	(135.1)	239.6
Other	6.8	3.4 *	5.1	3.4	(1.7)
Capital assets	1,558.3	1,414.2	1,276.6	144.1	137.6
Accumulated depreciation	(526.5)	(491.9)	(459.0)	(34.6)	(32.9)
Total assets	1,439.3	1,430.1	1,148.5	9.2	281.6
Deferred Outflows of Resources					
Deferred outflows related to bond refundings	5.6	6.0	6.4	(0.4)	(0.4)
Deferred outflows related to OPEB	34.4	31.3	41.0	3.1	(9.7)
Deferred outflows related to pensions	22.6	28.0	33.1	(5.4)	(5.1)
Total deferred outflows of resources	62.6	65.3	80.5	(2.7)	(15.2)
Liabilities					
Current liabilities	147.3	171.3	144.2	(24.0)	27.1
Noncurrent liabilities	883.8	950.3	788.1	(66.5)	162.2
Total liabilities	1,031.1	1,121.6	932.3	(90.5)	189.3
Deferred Inflows of Resources					
Deferred inflows related to leases	5.0	1.2 *	-	3.8	1.2
Deferred inflows related to bond refundings	3.4	3.8	1.2	(0.4)	2.6
Deferred inflows related to OPEB	28.6	47.1	48.0	(18.5)	(0.9)
Deferred inflows related to pensions	44.3	16.1	20.9	28.2	(4.8)
Total deferred inflows of resources	81.3	68.3	70.1	13.1	(1.9)
Net Position					
Net investment in capital assets	423.6	372.6	335.8	51.0	36.8
Restricted (expendable)	52.3	46.2	36.1	6.1	10.1
Unrestricted	(86.3)	(113.3)	(145.3)	27.0	32.0
Total net position	\$ 389.6	\$ 305.5	\$ 226.6	\$ 84.1	\$ 78.9

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

Note: *Due to the implementation of GASB 87, certain FY2021 balances have been restated (see Note 2).

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Statements of Revenues, Expenses and Changes in Net Position

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

A summarized comparison of the District's revenues, expenses and changes in net position for the years ended August 31, 2022, 2021 and 2020 is presented below in table and chart form.

Condensed Schedule of Revenues, Expenses and Changes in Net Position

(in millions)

	Fiscal Year			Change	
	2022	2021, as Restated	2020	2021 to 2022	2020 to 2021
Operating revenues and expenses:					
Operating revenues (detail in following sections)	\$ 92.8	\$ 93.3	\$ 86.5	\$ (0.5)	\$ 6.8
Operating expenses (detail in following sections)	533.4	484.5	468.4	48.9	16.1
Operating loss	(440.6)	(391.2)	(381.8)	(49.4)	(9.4)
Non-operating revenues (expenses):					
State appropriations	72.9	80.0	84.0	(7.1)	(4.0)
Ad valorem taxes	275.3	261.2	247.1	14.1	14.1
Federal and State grants, non-operating	194.1	137.3	103.3	56.8	34.0
Investment income	(4.2)	0.7	5.2	(4.9)	(4.5)
Interest on capital related debt & maintenance tax notes	(21.0)	(20.3)	(17.8)	(0.7)	(2.5)
Other non-operating expenses	3.3	1.1	(9.0)	2.2	10.1
Total non-operating revenues, net	520.4	460.0	412.8	60.3	47.2
Other revenues					
State appropriations for capital assets	3.9	4.1	4.1	(0.2)	-
Contributions for capital assets	0.4	2.1	0.4	(1.7)	1.7
Donated capital assets	-	3.9	-	(3.9)	3.9
Total other revenues	4.3	10.1	4.5	(5.8)	5.6
Increase in net position	84.1	78.9	35.4	5.2	43.5
Net position - beginning of year	305.5	226.6	191.2	78.9	35.4
Net position - end of year	<u>\$ 389.6</u>	<u>\$ 305.5</u>	<u>\$ 226.6</u>	<u>\$ 84.1</u>	<u>\$ 78.9</u>

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

**Operating Revenues
(in millions)**

	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>Change</u>	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2021 to 2022	2020 to 2021
Net tuition and fees	\$ 48.4	52.2%	\$ 49.7	53.3%	\$ 53.8	62.2%	\$ (1.3)	\$ (4.1)
Grants and contracts	35.5	38.3%	35.9	38.5%	23.6	27.3%	(0.4)	12.3
Auxiliary enterprises	2.8	3.0%	2.1	2.3%	3.6	4.2%	0.7	(1.5)
Other operating revenues	6.1	6.5%	5.5	5.9%	5.5	6.4%	0.6	-
Total operating revenues	<u>\$ 92.8</u>	<u>100.0%</u>	<u>\$ 93.3</u>	<u>100.0%</u>	<u>\$ 86.5</u>	<u>100.0%</u>	<u>\$ (0.5)</u>	<u>\$ 6.8</u>

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

As shown in the operating revenues table above, operating revenues for fiscal year 2022 decreased by \$0.5 million. The majority of the decrease to operating revenues resulted from decreases to net tuition and fees of \$1.3 million due to continued weakness in student enrollments from the pandemic, decrease in operating grants and contracts of \$0.4 million, offset by increases in auxiliary enterprise revenues and other operating income of \$0.7 and \$0.6 million, respectively. Grants show a net decrease of \$0.4 million, reflecting a drop in federal grants of \$6.2 million, offset by increases in state and local funding. Local funding was particularly strong, reflecting an increase of \$4.0 from the City of San Antonio for partnerships in job training to fight pandemic effects on the job market. State funding also increased \$1.5 million for skills training and apprenticeship programs.

For fiscal year 2021, operating revenues increased by \$6.8 million. The majority of the increase to operating revenues resulted from increases in federal and local aid to fight the pandemic, offset by decreases to net tuition and fees and auxiliary enterprise revenues. Grant activity increased \$12.3 million, and the continued effects of the COVID-19 pandemic was reflected in the net tuition and fees decrease of \$4.1 million and the auxiliary revenues decrease of \$1.5 million in due to closed down facilities.

Fiscal year 2022 net non-operating revenues increased \$60.3 million, with the largest revenue increases reflected in non-operating federal and state grants and ad valorem taxes in the amounts of \$56.8 and \$14.1 million, respectively. Federal and state non-operating revenue reached a peak of \$192.3 million in fiscal year 2022 reflecting an acceleration of HEERF spending as the Colleges approach the end of the performance period scheduled to expire in July 2023. See additional details related to the three tranches of the HEERF federal awards in the following paragraph. The increases in nonoperating revenues from HEERF grants were partially offset by a decrease in investment income of \$4.9 million due to raising interest rates delivering fair market losses on a temporary basis. The District is planning to retain investments until maturity reversing these fair market losses in fiscal year 2023.

Fiscal year 2021 net non-operating revenues increased by \$47.2 million, with the largest revenue increases reflected in non-operating federal grants and ad valorem taxes in the amounts of \$34.0 million and \$14.1 million, respectively. The member Colleges of the District were awarded over \$275 million in the three tranches of the Higher Education Emergency Relief Fund (HEERF) over fiscal years 2020 and 2021 and expended \$56.2 million of these funds in fiscal year 2021, after expending \$13.3 million in fiscal year 2020. The first tranche of HEERF funds, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The District received CARES Act grant funding as follows: 1) \$11.3 million to provide emergency financial aid grants to students whose lives have been disrupted, many of whom are facing financial challenges and struggling to make ends meet, 2) \$11.3 million to cover costs associated with significant changes to the delivery of instruction due to the coronavirus, 3) and \$6.5 million in additional funding directed to minority-serving institutions. Under the second tranche of HEERF funds approved by Congress in December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), the District's Colleges were awarded \$88.9 million. CRRSAA funds can be used to defray expenses associated with COVID-19, carry out authorized student support activities, and provide financial aid grants to students. The third tranche of HEERF funding, the American Rescue Plan

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(ARP), was signed into law in March 2021. ARP funds awarded to the District's Colleges totaled \$156.8 million. The increases in nonoperating revenues from HEERF grants were partially offset by a decrease in investment income of \$4.6 million due to poor market conditions and investment returns related to the COVID-19 pandemic, a \$2.5 million increase in interest expense on capital-related debt, and a \$10.1 million decrease to the other nonoperating expenses category related to \$8.9 million in losses taken on sales of surplus properties in the previous year.

For fiscal year 2022 other revenues decreased \$5.8 million. A one-time forgiveness of loan of \$3.9 million in fiscal year 2021 as further described in the subsequent paragraph and a reduction in capital gifts of \$1.7 million in 2022 contributed to the decline.

Fiscal year 2021 other revenues increased \$5.6 million over the prior year. This category includes state appropriations, cash contributions and donated items for capital assets. The \$5.6 million increase is attributed to an increase in cash contributions for capital assets of \$1.7 million and donated capital assets in the form of loan forgiveness of \$3.9 million for a note payable resulting from exchanged property with the Port of San Antonio in 2013.

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

	2022		2021		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	\$ 120.5	92.8%	\$ 125.0	94.4%	\$ 134.8	95.2%
CE and contract training	5.8	4.5%	3.8	2.8%	1.8	1.3%
Fees	3.5	2.7%	3.7	2.8%	5.0	3.5%
Total tuition and fees	<u>\$ 129.8</u>	<u>100.0%</u>	<u>\$ 132.4</u>	<u>100.0%</u>	<u>\$ 141.5</u>	<u>100.0%</u>
<u>Waivers and financial aid as a % of total tuition and fees:</u>						
	Amount	% of Total Tuition & Fees	Amount	% of Total Tuition & Fees	Amount	% of Total Tuition & Fees
Waivers and financial aid	<u>\$ 81.3</u>	<u>62.7%</u>	<u>\$ 82.7</u>	<u>62.5%</u>	<u>\$ 87.8</u>	<u>62.0%</u>

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

The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented above. For financial statement presentation, total tuition and fees are presented net of waivers and financial aid applicable to tuition and fees, referred to as discounts, as well as bad debt expenses. The table identifies the sources of tuition and fees, and provides the total waivers and financial aid discounts applied. For 2022, tuition represents 92.8% of the total tuition and fee revenue, with continuing education (CE) and contract training contributing 4.5% and the remaining 2.7% consisting of student services and CE fees. For 2021, tuition represents 94.4% of the total tuition and fee revenue, with fees related to continuing education and student services contributing 2.8% and the remaining 2.8% consisting of continuing education (CE) and contract training tuition.

Operating expenses are presented on the following pages for three years in both natural and functional classifications.

In fiscal year 2022, salaries and wages increased \$6.6 million or 3.2%. The primary factors contributing to the increase is an approved 3.0% general wage increase for full-time benefitted faculty and staff effective September 1, 2021, and training stipends for instructors to become certified to teach online.

In fiscal year 2021, salaries and wages increased \$5.9 million or 2.9%. The primary factors contributing to the increase was an accrual for a one-time, talent excellence incentive payment paid in October 2021 and a full year of the

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Management's Discussion and Analysis (Unaudited)

telecommunications allowance that began in fiscal year 2020. The talent excellence payment consisted of a net check of \$1,000 for full-time eligible employees, and a \$500 net check for part-time eligible employees.

Benefits decreased \$16.3 million or 25.1% in fiscal year 2022, primarily due to accounting entries for pension expenses related to reporting requirements under GASB 68. Actuarially-calculated pension expense decreased \$9.5 million in FY22 compared to FY21. In addition, the District recognized \$8.1 million less in 2022 for pension and OPEB expense for support provided by the State as disclosed in Note 11 and Note 19.

Benefits decreased \$8.0 million or 11.0% in fiscal year 2021, primarily due to accounting entries for pension and OPEB expenses related to reporting requirements under GASB 68 and GASB 75. Actuarially-calculated pension expense decreased \$3.1 million in FY21 compared to FY20 and actuarially calculated OPEB expense decreased \$2.4 million in FY21 compared to FY20. In addition, the District recognized \$1.9 million and \$2.0 million less in 2021 for pension and OPEB expense, respectively, for support provided by the State as disclosed in Note 11 and Note 19.

Scholarships and fellowships expense represent the amount disbursed to a student after a scholarship award is credited to the student's account after payment of tuition and fees. Scholarships and fellowships increased by \$34.2 million in 2022, primarily due to another uptick in aid awarded to students under the various tranches of the HEERF grants. Scholarships and fellowships increased by \$14.2 million in 2021, primarily due to aid awarded to students under the various tranches of the HEERF grants.

Supplies and services expense are expenses other than for payroll and benefits, and increased by \$22.7 million in fiscal year 2022. This is primarily attributable to increased costs to respond to the COVID-19 pandemic such as renovations, PPE, computers and other technology to facilitate remote and hybrid teaching and working. Normal operations have resumed with instructional supplies totaling \$14.5 million vs \$3.8 million in FY21, while expenses for travel resumed and reached almost half of FY19 levels. FY22 travel expenses were \$1.6 million vs \$160,000 in FY21 and \$3.4 million in FY19. Expenses for utilities are exceeding pre-pandemic levels with fiscal year 2022 totaling \$10.1 million vs \$8.4 million in 2021 as students and employees return to campus and with new buildings coming on line. Repairs and maintenance expenses increased \$2.8 million to \$22.4 million in fiscal year 2022, while contracted services increased \$2.4 million to \$21.7 million.

Supplies and services expense are expenses other than for payroll and benefits, and increased by \$3.1 million in fiscal year 2021. This is primarily attributable to increased costs to respond to the COVID-19 pandemic such as PPE, computers and other technology to facilitate remote and hybrid teaching and working, partially offset by reductions in travel expenses and utilities.

Operating Expenses in Natural Classification (in millions)

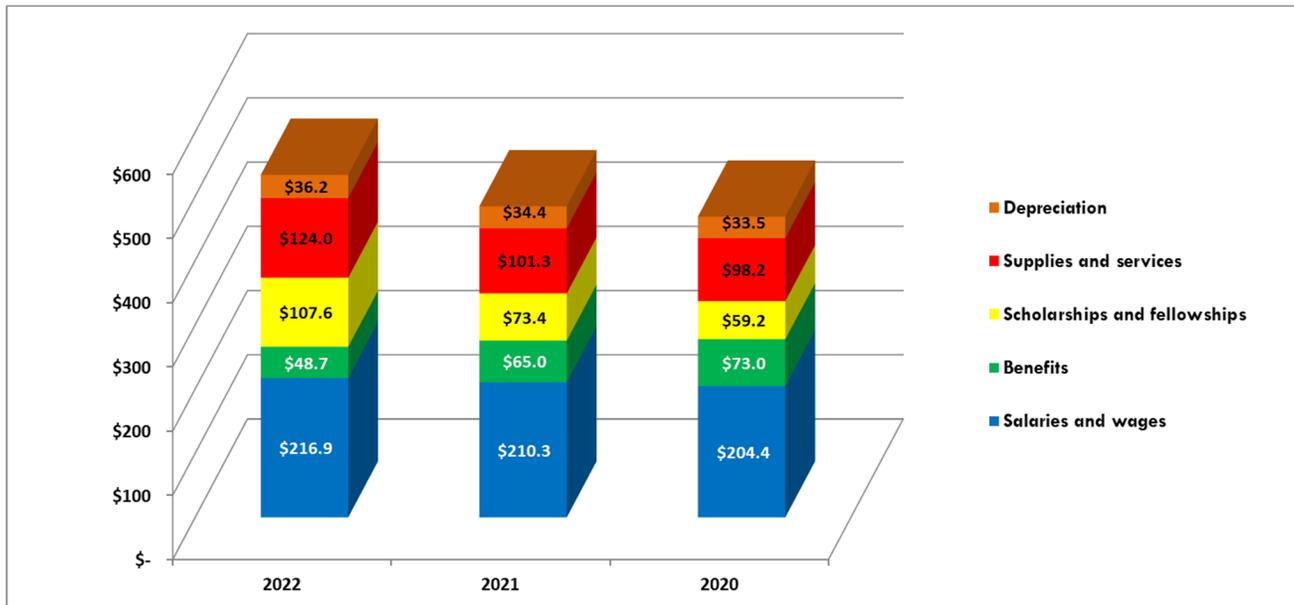
	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Salaries and wages	\$ 216.9	\$ 210.3	\$ 204.4	\$ 6.6	\$ 5.9
Benefits	48.7	65.0	73.0	(16.3)	(8.0)
Scholarships and fellowships	107.6	73.4	59.2	34.2	14.2
Supplies and services	124.0	101.3	98.2	22.7	3.1
Depreciation	36.2	34.4	33.5	1.8	0.9
Total operating expenses	\$ 533.5	\$ 484.5	\$ 468.4	\$ 49.0	\$ 16.1

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

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

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



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

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Instruction	\$ 132.7	\$ 140.3	\$ 146.6	\$ (7.6)	\$ (6.3)
Public service	1.6	1.4	1.7	0.2	(0.3)
Academic support	27.6	28.2	30.8	(0.6)	(2.6)
Student services	59.7	58.3	61.6	1.4	(3.3)
Institutional support	118.9	101.1	80.5	17.8	20.5
Operation and maintenance of plant	48.0	46.1	52.7	1.9	(6.6)
Depreciation	36.2	34.4	33.5	1.8	0.9
Scholarships and fellowships	107.6	73.4	59.2	34.2	14.2
Total educational and general expenses	532.3	483.2	466.7	49.1	16.4
Auxiliary enterprises	1.2	1.3	1.7	(0.1)	(0.3)
Total operating expenses	\$ 533.5	\$ 484.5	\$ 468.4	\$ 49.0	\$ 16.1

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

- Instruction includes expenses for all activities that are part of the District's instructional programs, such as faculty salaries and benefits. Instructional expenses decreased by \$7.6 million in fiscal year 2022 primarily related to a \$7.1 million decrease in benefits due to a reduction in actuarially-calculated pension expense. Instructional salaries decreased overall by \$1.1 million due to a reduction in adjunct faculty wages related to a slight enrollment decline resulting from the pandemic, partially offset by a general wage increase for all faculty. The re-opening of the campuses to accommodate the students return to campus caused increases in supplies, travel and non-capitalized furniture and equipment expenses of \$0.8 million, \$0.2 million, and \$0.3 million, respectively. Instructional expenses decreased by \$6.3 million in fiscal year 2021 primarily related to a \$5.9 million decrease in benefits due to reduced actuarially-calculated pension and OPEB expense along with a \$0.6 million decrease to non-capitalized technology and other equipment costs and a \$2.2 million decrease to adjunct faculty salaries, all partially offset by a \$2.3 million increase to compensation related to the talent excellence accrual and full year of telecommunications allowance.
- Public service expenses include funds expended for activities that are established primarily to provide non-instructional services that benefit individuals and groups external to the District. In fiscal year 2022, public services increased \$0.2 million due to the general wage increase, offset by TRS pension expense reductions. Reopening to normal operations increased supplies and uncapitalized capital expenses by \$177,000. In fiscal year 2021, public service expenses decreased slightly by \$0.3 million. The 2021 decrease resulted from fewer costs for contracted services and equipment, partially offset by compensation increases related to the talent excellence payment and full year of the telecommunications allowance.
- Academic support includes funds expended primarily to provide support services to the District's primary missions of instruction, research and public service. In fiscal year 2022, academic support costs decreased by \$0.6 million or 2.1% primarily as the result of a \$1.5 million decrease in benefits due to pension entries required by GASB 68 and academic support personnel vacancies resulting in a \$0.4 million reduction in salaries. These reductions were partially offset by an increase of \$1.3 million in expenditures for supplies, travel and furniture and equipment purchases related to the reopening of the college campuses mentioned previously. Academic support costs decreased by \$2.6 million in fiscal year 2021, primarily attributable to a \$1.3 million decrease in benefits for academic support employees due to OPEB adjustments required by GASB 75, coupled with a \$1.0 million decrease in noncapitalized computer and other IT equipment after a significant investment was made in this area in FY20, as well as decreased travel costs.
- The student services category includes funds expended for activities that primarily contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. In fiscal year 2022, overall student services expenses increased \$1.4 million. Salaries increased by \$3.0 million or 8.4% as a result of the general wage increase and market adjustments to student success personnel resulting from a compensation study. Benefits decreased \$2.9 million due to pension expense reductions related to GASB 68 actuarial activity. Supplies, travel, and furniture and equipment increased by \$1.4 million due to students returning to campus. Student services expenses decreased by \$3.3 million in 2021 due to \$3.2 million in decreased costs for Federal work studies resulting from decreased availability of on-campus work study positions due to COVID-19; a \$2.5 million decrease in benefits due to decreased OPEB costs related to GASB 75 reporting requirements; and a \$0.3 million decrease in travel expenses as employee travel continued to be suspended due to COVID-19. These decreases were offset by a combined increase of approximately \$2.0 million for salary increases, the talent excellence accrual and the recognition of a full year of telecom allowance payments recorded in FY21 and a \$0.7 million increase in costs for contracted services.
- The institutional support category is primarily comprised of salaries and other operating expenses for central executive-level management that engage in long-range planning for the entire institution as well as other centralized support operations including accounting and fiscal affairs, procurement and safety, legal, information

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technology and human resources, among others. Institutional support expenses increased \$17.8 million in fiscal year 2022. Unrestricted salaries and salaries funded by grants both increased by \$2.6 million primarily due to the general wage increase and increased grant activity funding more FTEs. Benefits decreased \$4.0 due to pension expense accounting related to GASB 68. Reopening to normal operations supported by HEERF and HBCU grants caused non-labor expenditures to increase \$16.6 million. In fiscal year 2021, institutional support costs increased \$20.6 million. The \$20.6 million increase primarily resulted from the following: \$7.9 million in increased salaries, wages and associated fringe benefits for institutional support employees partially attributable to the talent excellence accrual and full year of the telecommunications allowance; \$7.5 million increase in costs for non-capitalized technology and other equipment primarily charged to HEERF grants; \$2.0 million increase to bad debt expense related to the increase of the allowance on a note receivable for land; and \$5.3 million increase in operating expenses for PPE costs charged to HEERF grants to respond to the COVID-19 pandemic. These increases were partially offset by a \$0.9 million decrease to State paid benefits for OPEB and a \$0.5 million decrease in travel expenses for institutional support employees.

- The category of operation and maintenance of plant includes all expenses of current funds for the operation and maintenance of physical plant, net of amounts charged to auxiliary enterprises and other independent operations. In fiscal year 2022, operation and maintenance of plant increased by \$1.9 million as the District returns towards normal operations. Increases in salaries, utilities and noncapitalized expenses of \$0.6 million, \$1.7 million and \$1.2 million, respectively, were offset by benefits and operating expenses of \$0.5 million and \$1.1 million, respectively. The 3.0% general salary increase mentioned previously and return to normal operations are the main contributors to the increases. GASB pension accounting is responsible for the decrease in benefits, while the decrease in operating expenses is due to a reduction in non-capitalized expenses related to bond projects. Operation and maintenance of plant expenses decreased by \$6.6 million in 2021. The decline was primarily attributable to approximately \$7.5 million in decreased costs for non-capitalized equipment and renovations costs funded by bonds and grants. In addition, numerous cost categories decreased, including a \$2.0 million decrease for pavement and grounds costs; a \$1.6 million decrease for mechanical/engineering/plumbing costs, a \$1.6 million decrease for contracted services, a \$1 million decrease to structural maintenance costs, \$0.6 million decrease for water utilities, and a \$0.4 million decrease for floor care expenses. In addition, overall salaries and benefits for O&M personnel decreased by approximately \$0.9 million. These decreases were partially offset by an \$8.7 million increase in repair and maintenance costs and a \$2.6 million increase to individual preventive maintenance projects.
- Scholarships and fellowships include expenses for scholarships and fellowships from restricted and unrestricted funds and grants to students. In fiscal year 2022, scholarships and fellowships increased by \$34.2 million almost exclusively related to additional aid awarded to students under the various tranches of the HEERF grants for student living allowances. In fiscal year 2021, scholarships and fellowships increased by \$14.2 million almost exclusively related to additional aid awarded to students under the various tranches of the HEERF grants including \$2.8 million in emergency aid grants awarded through the student advocacy centers located on each campus and \$2.0 million in stipends awarded to students.

Statements of Cash Flows

The Statements of Cash Flows provide information about the resources of cash and the uses of cash in the operations and activities of the District. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital and related financing activities and investing activities. The Statements of Cash Flows reported an overall increase in cash and cash equivalents of \$30.4 million during fiscal year 2022 and a decrease of \$83.4 million during fiscal year 2021. The primary use of cash in operations is for payment of salaries, wages and benefits, followed by payments to suppliers for goods and services, then payments for scholarships and fellowships. Sources of cash from operations arise primarily from student tuition and fees as well as operating grant and contract revenues. Sources of cash from non-capital financing activities are primarily from ad valorem taxes, non-operating federal and state revenue and state appropriations.

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The \$30.4 million increase in cash and cash equivalents in fiscal year 2022 is attributed mainly to positive net nonoperating cash flows exceeding the net reduction to cash used in operations. This is reflected in the cash flow statements by the net increase in cash flows from non-capital financing activities and investments, partially offset by cash flows from operating activities and cash flows from capital and related financing activities. The \$83.4 million decrease to cash and cash equivalents in fiscal year 2021 was primarily related to decreases in TexPool deposits for construction spending from funds borrowed in current and previous years, as shown in Note 4.

Capital Assets

Changes in net capital assets are the result of completed and in process construction projects, acquisitions, improvements, deletions and changes in accumulated depreciation. The District had \$1.0 billion and \$922.3 million invested in capital assets net of accumulated depreciation at August 31, 2022 and 2021, respectively. Depreciation expense totaled \$36.2 million in fiscal year 2022 and \$34.4 million in fiscal year 2021 (Note 6). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Land	\$ 55.7	\$ 55.7	\$ 54.6	\$ -	\$ 1.1
Construction in progress and works of art	154.4	148.2	64.4	6.2	83.8
Buildings and building improvements	755.8	653.2	628.9	102.6	24.3
Other real estate improvements	50.6	55.7	60.7	(5.1)	(5.0)
Furniture, machinery and equipment	14.6	8.7	7.9	5.9	0.8
Software	0.1	-	-	0.1	-
Library materials	0.7	0.8	0.9	(0.1)	(0.1)
Total capital assets, net of accumulated depreciation	\$ 1,031.8	\$ 922.3	\$ 817.5	\$ 109.6	\$ 104.9

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

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

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated at August 31, 2022 and 2021.

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

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Land	\$ 55.7	\$ 55.7	\$ 54.6	\$ -	\$ 1.1
Construction in progress and works of art	154.4	148.2	64.4	6.2	83.8
Buildings and building improvements	755.8	653.2	628.9	102.6	24.3
Other real estate improvements	50.6	55.7	60.7	(5.1)	(5.0)
Furniture, machinery and equipment	14.6	8.7	7.9	5.9	0.8
Software	0.1	-	-	0.1	-
Library materials	0.7	0.8	0.9	(0.1)	(0.1)
Total capital assets, net of accumulated depreciation	<u>\$ 1,031.8</u>	<u>\$ 922.3</u>	<u>\$ 817.5</u>	<u>\$ 109.6</u>	<u>\$ 104.9</u>

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

The District added approximately \$96 million to construction in progress balances in fiscal year 2022 for continuing projects that have not been completed. In addition to the costs added to construction in progress, major capital additions and renovations completed during fiscal years 2022 and 2021 include the following:

Fiscal Year 2022	Amount (in millions)
San Antonio College Fletcher Student Success	\$ 19.7
St. Philip's College Saint Artemisia Bowden Building	14.9
St. Philip's College William Allen Hudgins Health and Wellness Building	16.4
Northwest Vista College Cedar Elm STEM Building	27.1
Northeast Lakeview College Paluxy Hall STEM Building	39.2

Fiscal Year 2021	Amount (in millions)
San Antonio College Parking Garage #3	\$ 18.8
San Antonio College Physical Plant Improvements	2.5
St. Philip's College MLK Clarence Windzell Norris Building Renovation	21.4

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

The District has entered into several contracts for construction and various other renovation and projects financed by bond proceeds. At August 31, 2022 and 2021, the District was committed for approximately \$67.0 million and \$139.7 million,

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

respectively. For additional information concerning the District's capital assets and commitments, see Note 6 and Note 23, respectively, to the financial statements.

Debt

The Alamo Colleges District had \$592.0 million and \$646.8 million in outstanding bond and maintenance tax note debt at August 31, 2022 and 2021, respectively, before premiums. Outstanding debt decreased \$54.8 million in fiscal year 2022 and increased \$132.5 million in fiscal year 2021. The following table summarizes these amounts by type of debt instrument. See also Notes 7, 8 and 9 to the basic financial statements for additional information.

Bonds and Tax Notes Payable (in millions)

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
General obligation bonds	\$ 502.1	\$ 528.2	\$ 346.7	\$ (26.1)	\$ 181.5
Revenue bonds	62.1	68.5	76.5	(6.4)	(8.0)
Tax notes	27.8	50.1	91.1	(22.3)	(41.0)
Total outstanding debt	\$ 592.0	\$ 646.8	\$ 514.3	\$ (54.8)	\$ 132.5

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

The decrease in debt in 2022 is reflective of no new debt issuances, regular and scheduled debt principal payments and additional debt reduction transactions totaling \$54.8 million. The increase in 2021 is related mainly to the issuance of the second tranche of general obligation bonds in the amount of \$196 million under the voter-approved capital improvements program, offset by regularly scheduled payments.

The general obligation debt of the Alamo Colleges District is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of the District that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues. The pledged revenue is all revenue from tuition pursuant to applicable Texas law. The District received bond ratings for its general obligation bonds of Aaa and AAA from Moody's Investors Service and S&P Global Ratings, respectively. These are the highest ratings available from these rating agencies and the Alamo Colleges District is one of only three community college systems in Texas and one of only 11 community colleges in the United States to receive the highest rating from both agencies. More detailed information about the District's noncurrent liabilities is presented in Notes 7, 8 and 9 to the basic financial statements.

Factors Having Probable Future Financial Significance

The economic condition of the Alamo Colleges District is influenced by the economic position of the State of Texas, the County of Bexar and surrounding counties and the City of San Antonio. San Antonio is the seventh largest city in the United States and the second largest city in Texas. As the state, county and city continue to recover from the devastating effects of the COVID-19 pandemic to the economy, factors such as inflation, rising interest rates, market volatility, and a possible recession pose newer risks to the local economy.

According to the Bureau of Labor Statistics, the national and state unemployment rates for August 2022 were 3.7% and 4.1%, respectively. At a local level, the San Antonio area unemployment rate for August 2022 was 3.7% as compared to the peak during the pandemic of 13.6% in April 2020. Recognizing that the pandemic would have a lasting effect on

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our community for years to come, there are continued efforts to rebuild the job sector and strengthen businesses and the local workforce. This continues to be carried out through local governments' economic incentives, regional strategic partnerships, and the recent voter-approved Ready to Work SA workforce development program funded through the collection of a 1/8 cent sales tax through December 2025.

The San Antonio metropolitan area, which is coterminous with Bexar County, continues to be one of the most attractive locations in the nation for business growth due to affordable land, abundant power and an education system that continues to evolve and improve. The broad and diverse economy features a wide variety of industries, such as bioscience and health care, aerospace and aviation, the military, tourism, financial services, manufacturing, and information technology and cybersecurity. This area has a proven track record of working together across government, nonprofits, industry and educational providers for a better future for businesses and consumers in the metropolitan area.

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1**

**Statements of Net Position
August 31, 2022 and 2021**

	2022	(Restated) 2021*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,908,345	\$ 14,229,949
Restricted cash and cash equivalents	52,773,318	42,651,028
Investments	56,602,245	95,046,329
Investments - restricted	-	124,698,486
Accounts receivable and notes receivable, net of allowance	34,066,001	33,135,123
Other assets	770,742	221,791
Total current assets	161,120,651	309,982,706
Noncurrent assets:		
Restricted cash and cash equivalents	37,299,433	19,707,293
Investments	153,358,855	112,812,326
Investments - restricted	49,618,963	62,117,105
Other assets	1,136,374	1,970,840
Leases receivable	4,915,178	1,257,109
Capital assets (net)	1,031,850,158	922,297,612
Total noncurrent assets	1,278,178,961	1,120,162,285
TOTAL ASSETS	1,439,299,612	1,430,144,991
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to bond refundings	5,618,587	6,025,175
Deferred outflows related to OPEB	34,448,664	31,337,560
Deferred outflows related to pensions	22,566,652	28,030,912
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,633,903	65,393,647
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	59,519,790	71,870,565
Funds held for others	936,923	798,690
Unearned income	39,677,352	38,611,747
Current portion of noncurrent liabilities	47,163,670	60,054,026
Total current liabilities	147,297,735	171,335,028
Noncurrent liabilities	883,757,873	950,318,111
TOTAL LIABILITIES	1,031,055,608	1,121,653,139
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases	5,037,407	1,245,685
Deferred inflows related to bond refundings	3,360,286	3,841,983
Deferred inflows related to OPEB	28,600,978	47,133,553
Deferred inflows related to pensions	44,299,345	16,137,775
TOTAL DEFERRED INFLOWS OF RESOURCES	81,298,016	68,358,996
NET POSITION		
Net investment in capital assets	423,581,645	372,564,502
Restricted for:		
Expendable		
Student aid	8,351,203	10,229,318
Instructional programs	2,675,026	848,381
Capital projects	23,993,482	20,290,805
Debt service	17,272,910	14,861,212
Unrestricted	(86,294,375)	(113,267,715)
TOTAL NET POSITION	\$ 389,579,891	\$ 305,526,503

*Due to the implementation of GASB 87, certain FY2021 balances have been restated (see Note 2).

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1A**

**Statements of Financial Position of Alamo Colleges Foundation, Inc.
(A Component Unit of Alamo Community College District)
December 31, 2021 and 2020**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,179,727	\$ 24,698,488
Due from affiliates	-	102,020
Contributions receivable, net of allowance and discounts	2,400,130	2,749,391
Investments:		
Fixed income securities	17,272,304	6,989,346
Mutual funds/exchange-traded funds	48,894,007	22,150,410
Marketable securities	7,035,863	3,409,788
TOTAL ASSETS	77,782,031	60,099,443
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 1,203,436	\$ 49,464
TOTAL LIABILITIES	1,203,436	49,464
Net Assets:		
Without donor restrictions	196,336	308,017
With donor restrictions	76,382,259	59,741,962
TOTAL NET ASSETS	76,578,595	60,049,979
TOTAL LIABILITIES AND NET ASSETS	\$ 77,782,031	\$ 60,099,443

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1B**

**Statements of Net Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
August 31, 2022 and 2021**

	2022	2021
ASSETS		
Current assets:		
Cash	\$ 196	\$ 220,788
Noncurrent assets:		
Capital assets not being depreciated	6,499,860	5,099,847
Capital assets being depreciated, net	21,380,770	-
Total noncurrent assets	27,880,630	5,099,847
TOTAL ASSETS	27,880,826	5,320,635
LIABILITIES		
Current liabilities:		
Unearned revenue	-	1,582,000
Noncurrent liabilities:		
Note payable	1,362,860	2,000,000
Interest payable	-	726,667
Total noncurrent liabilities	1,362,860	2,726,667
TOTAL LIABILITIES	1,362,860	4,308,667
NET POSITION		
Net investment in capital assets	26,517,770	3,099,847
Unrestricted	196	(2,087,879)
TOTAL NET POSITION	\$ 26,517,966	\$ 1,011,968

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2**

**Statements of Revenues, Expenses and Changes in Net Position
For Years Ended August 31, 2022 and 2021**

	2022	(Restated) 2021*
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$81,342,998 and \$82,708,507 respectively)	\$ 48,439,185	\$ 49,729,748
Federal grants and contracts	22,241,508	28,454,909
State grants and contracts	2,369,756	905,002
Local grants and contracts	9,478,470	5,504,441
Non-governmental grants and contracts	1,424,254	1,054,201
Auxiliary enterprises	2,757,370	2,112,045
Other operating revenues	6,069,838	5,519,108
Total operating revenues (Schedule A)	92,780,381	93,279,454
OPERATING EXPENSES:		
Instruction	132,658,723	140,251,120
Public service	1,600,865	1,427,197
Academic support	27,602,595	28,151,671
Student services	59,706,913	58,279,636
Institutional support	118,854,158	101,071,351
Operation and maintenance of plant	47,989,332	46,120,491
Scholarships and fellowships	107,597,069	73,404,712
Auxiliary enterprises	1,204,666	1,346,261
Depreciation	36,222,502	34,414,020
Total operating expenses (Schedule B)	533,436,823	484,466,459
Operating loss	(440,656,442)	(391,187,005)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	72,944,697	80,008,148
Ad valorem taxes		
Taxes for maintenance and operations	198,786,795	188,598,432
Taxes for maintenance notes	24,140,547	40,309,557
Taxes for general obligation bonds	52,405,149	32,293,103
Federal grants, non-operating	189,360,434	133,437,673
State grants, non-operating	4,778,583	3,866,594
Gifts	3,286,946	315,739
Investment (loss) income	(4,248,039)	663,147
Interest on capital related debt	(19,219,947)	(16,519,474)
Interest on maintenance tax notes	(1,790,547)	(3,749,557)
Other non-operating revenues	27,832	756,033
Net non-operating revenues (Schedule C)	520,472,450	459,979,395
Income before other revenues	79,816,008	68,792,390
OTHER REVENUES:		
State appropriations for capital assets	3,855,480	4,058,400
Contributions for capital assets	381,900	2,123,956
Donated capital assets	-	3,941,480
Total other revenues	4,237,380	10,123,836
Increase in net position	84,053,388	78,916,226
NET POSITION:		
Net position - beginning of year	305,526,503	226,610,277
Net position - end of year (Schedule D)	\$ 389,579,891	\$ 305,526,503

*Due to the implementation of GASB 87, certain FY2021 balances have been restated (see Note 2).

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2A**

**Statements of Activities of Alamo Colleges Foundation, Inc.
(A Component Unit of Alamo Community College District)
For Years Ended December 31, 2022 and 2021**

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Net assets at January 1, 2020	\$ 139,835	\$ 32,609,056	\$ 32,748,891
Support and revenue:			
Contributions	68,856	27,691,683	27,760,539
In-kind revenue	1,246,198	-	1,246,198
Interest and dividend income	1,311	429,575	430,886
Gain on investments	-	2,945,643	2,945,643
Net assets released from restrictions	3,957,995	(3,957,995)	-
Total revenue	5,274,360	27,108,906	32,383,266
Expenses:			
Program support and scholarships	4,152,258	-	4,152,258
General and administrative	642,146	-	642,146
Fundraising	287,774	-	287,774
Total expenses	5,082,178	-	5,082,178
Increase in net assets	192,182	27,108,906	27,301,088
Designated transfers	(24,000)	24,000	-
Net assets at December 31, 2020	308,017	59,741,962	60,049,979
Support and revenue:			
Contributions	89,363	18,711,186	18,800,549
In-kind revenue	1,255,046	-	1,255,046
Interest and dividend income	490	946,740	947,230
Gain on investments	-	4,266,248	4,266,248
Net assets released from restrictions	7,320,236	(7,320,236)	-
Total revenue	8,665,135	16,603,938	25,269,073
Expenses:			
Program support and scholarships	7,725,976	-	7,725,976
General and administrative	608,792	-	608,792
Fundraising	405,689	-	405,689
Total expenses	8,740,457	-	8,740,457
(Decrease) increase in net assets	(75,322)	16,603,938	16,528,616
Designated transfers	(36,359)	36,359	-
Net assets at December 31, 2021	\$ 196,336	\$ 76,382,259	\$ 76,578,595

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2B**

**Statements of Revenues, Expenses and Changes in Net Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
For Years Ended August 31, 2022 and 2021**

	2022	2021
OPERATING REVENUES:		
Lease revenue	\$ 16,667	\$ 24,000
Total operating revenues	16,667	24,000
OPERATING EXPENSES:		
Bank charges	1,760	826
Depreciation	956,219	-
Total operating expenses	957,979	826
Operating (loss)/income	(941,312)	23,174
NON-OPERATING REVENUES/(EXPENSES):		
Other contributions	777,932	-
Interest revenue	1,569	397
Gain on lease termination	1,582,000	-
Forgiveness of interest on debt	354,140	-
Interest expense	(5,333)	(80,000)
Other non-operating expense	(560,273)	-
Total non-operating revenues/(expenses)	2,150,035	(79,603)
Income/(loss) before contributions	1,208,723	(56,429)
Capital contributions	24,297,275	-
Change in net position	25,505,998	(56,429)
NET POSITION:		
Net position - beginning of year	1,011,968	1,068,397
Net position - end of year	\$ 26,517,966	\$ 1,011,968

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
For Years Ended August 31, 2022 and 2021**

	2022	(Restated) 2021*
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 51,059,296	\$ 51,602,185
Receipts from grants and contracts	34,731,176	29,288,811
Other receipts	5,961,393	5,447,485
Payments to or on behalf of employees	(262,599,471)	(252,411,814)
Payments to suppliers for goods and services	(145,417,093)	(80,102,427)
Payments for scholarships and fellowships	<u>(107,597,069)</u>	<u>(73,404,712)</u>
Net cash used by operating activities	<u>(423,861,768)</u>	<u>(319,580,472)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations (non-capital projects)	64,839,676	63,734,894
Receipts from ad valorem taxes	198,428,921	188,344,846
Receipts from non-operating federal and state revenue	192,672,782	133,234,894
Receipts from gifts and grants (other than capital)	2,744,878	315,739
Receipts from (payments to) student organizations and other agency transactions	138,233	(69,372)
Payments for Federal loans issued to students	(13,950,284)	(14,814,234)
Receipts from Federal loans for students	<u>17,187,711</u>	<u>14,439,666</u>
Net cash provided by non-capital financing activities	<u>462,061,917</u>	<u>385,186,433</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	-	252,743,408
Bond issuance costs	-	(1,572,400)
Receipts from ad valorem taxes for debt service	76,408,239	72,505,259
Receipts from state appropriations for capital projects	3,855,480	4,058,400
Receipts from insurance recoveries	39,705	1,982,710
Receipts from capital grant contracts, grants and gifts	381,900	84,805
Payments for capital assets acquisition and construction of capital assets	(134,813,466)	(130,157,554)
Payments on capital debt - principal	(56,081,263)	(86,172,127)
Payments on capital debt - interest	<u>(28,677,564)</u>	<u>(23,318,276)</u>
Net cash (used)/provided by capital and related financing activities	<u>(138,886,969)</u>	<u>90,154,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	347,048,213	241,675,076
Interest on investments	1,953,959	394,104
Purchase of investments	<u>(217,922,526)</u>	<u>(481,270,035)</u>
Net cash provided/(used by) investing activities	<u>131,079,646</u>	<u>(239,200,855)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>30,392,826</u>	<u>(83,440,669)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>76,588,270</u>	<u>160,028,939</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 106,981,096</u>	<u>\$ 76,588,270</u>

*Due to the implementation of GASB 87, certain FY2021 balances have been restated (see Note 2).

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
For Years Ended August 31, 2022 and 2021
(continued)**

	<u>2022</u>	<u>(Restated) 2021*</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH		
USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (440,656,442)	\$ (391,187,005)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	36,222,502	34,414,020
Allowance for doubtful accounts	1,764,266	5,236,139
Non-cash state appropriations - on-behalf payments	8,105,021	16,253,165
Pension expense	(6,946,048)	2,574,844
OPEB expense	2,497,227	1,231,121
Changes in assets and liabilities:		
Receivables (net)	(7,862,576)	(21,544,845)
Other assets	285,515	1,024,039
Accounts payable	(21,614,683)	20,413,806
Unearned income	1,012,454	9,742,149
Net pension liability	(40,571,878)	2,355,954
Net OPEB liability	24,140,906	(7,632,125)
Compensable absences	(803,873)	952,385
Workers' compensation accrual	-	18,181
Utility escrow	343,147	45,844
Deferred inflows related to leases	3,791,722	1,245,685
Deferred outflows related to pensions	12,410,308	2,451,796
Deferred inflows related to pensions	28,161,570	(4,807,750)
Deferred outflows related to OPEB	(5,608,331)	8,470,371
Deferred inflows related to OPEB	(18,532,575)	(838,246)
Net cash used by operating activities	<u>\$ (423,861,768)</u>	<u>\$ (319,580,472)</u>
SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
State on-behalf payments	<u>\$ 8,105,021</u>	<u>\$ 16,253,165</u>
(Decrease) in fair value of investments	<u>\$ (5,968,496)</u>	<u>\$ (471,861)</u>
Gifts of depreciable and non-depreciable assets	<u>\$ 542,068</u>	<u>\$ -</u>
Amortization of premium on bonds	<u>\$ 6,081,335</u>	<u>\$ 4,537,767</u>
Amortization of deferred charges on bond refundings	<u>\$ -</u>	<u>\$ (2,800,042)</u>
Undistributed investment income public/private partnership	<u>\$ -</u>	<u>\$ 80,000</u>
Contribution in the form of note payable cancellation	<u>\$ -</u>	<u>\$ 3,941,480</u>
Gain on refunding net of amortization	<u>\$ -</u>	<u>\$ 2,712,124</u>

*Due to the implementation of GASB 87, certain FY2021 balances have been restated (see Note 2).

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

1. REPORTING ENTITY

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

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

Alamo Colleges Foundation, Inc. – Discrete Component Unit

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

ACCD Public Facility Corporation (PFC) – Discrete Component Unit

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges* for fiscal year 2022. For financial reporting purposes, the District is considered a special-purpose, primary government engaged in business-type activities.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

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

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

Accounts and Notes Receivable

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

Other Current Assets

Included in this category are prepaid expenses and inventories.

Investments

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

Leases Receivable

The District is a lessor for noncancelable leases of property. The District recognizes a lease receivable and a deferred inflow of resources in the Statements of Net Position. The District recognizes lease assets with an initial individual net present value of \$100,000 or more.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, if any. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses the Treasury rate with the maturity that most closely matches the length of the lease term, as of the date of the beginning of the lease term, obtained from the treasury.gov website, as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred Outflows of Resources

The Statements of Net Position include a separate section for deferred outflows of resources, which represent a consumption of net assets that applies to future periods and thus, will not be recognized as an outflow of resources (expensed) until then. The District records deferred outflows of resources for deferred charges on the refunding of debt calculated as the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District records deferred outflows of resources for its proportionate share of collective deferred outflows of resources of the Teacher Retirement System of Texas (TRS) pension plan and for its proportionate share of collective deferred outflows of resources of the Employees Retirement System (ERS) other postemployment benefit (OPEB) plan. In addition, deferred outflows of resources are recorded for employer contributions made to the TRS and ERS plans subsequent to the measurement date of the respective net pension or net OPEB liabilities. For additional information, see Note 11 and Note 19.

Pensions

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Post Employment Benefits (OPEB)

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

Compensable Absences

It is the District's policy to accrue employee annual leave as earned. Sick leave is not accrued, as a terminated employee is not paid for accumulated sick leave. See Note 7 and Note 13 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 17 for additional information.

Deferred Inflows of Resources

The Statements of Net Position include a separate section for deferred inflows of resources, which represent an acquisition of net assets that applies to future periods and thus, will not be recognized as an inflow of resources (revenue) until then. The District records deferred inflows of resources for deferred charges on refunding of debt calculated as the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District records deferred inflows of resources for its proportionate share of collective deferred inflows of resources of the Teacher Retirement System of Texas (TRS) pension plan and for its proportionate share of collective deferred inflows of resources of the Employees Retirement System (ERS) other postemployment benefit (OPEB) plan. The District also records deferred inflows of resources related to leases. For additional information, see Note 11 and Note 19.

Net Position

Net Investment in Capital Assets

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

Restricted Net Position, Expendable

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

Unrestricted Net Position

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

Operating and Non-operating Revenues

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition and Unearned Income

Tuition and fee revenues are recorded when earned. Unrestricted tuition and fees and other revenues related to the upcoming fall semester that are received prior to year-end are recorded as unearned revenues. Revenue from grants, contracts and state appropriations and other state aid is recognized when all eligibility requirements, if any, have been met and qualifying expenditures, if required, have been incurred. Unrestricted unearned charges have been netted against unearned income. Restricted charges where all obligations have been fulfilled are treated as expenses in the period incurred.

Tuition Discounting

Texas Public Education Grants

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

Title IV Higher Education Act (HEA) Program Funds

Certain Title IV HEA Program funds are received by the District to pass through to students. These funds are received by the District and recorded as revenue. When a student uses the award for tuition and fees, the amount is recorded as a tuition discount. The portion of the award disbursed directly to students is reported as a scholarship expense.

Other Tuition Discounts

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these funds are used for tuition and fees, the awards are recorded as a tuition discount. The portion of the award disbursed directly to students is reported as a scholarship expense.

Operating and Non-operating Expenses

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

Restricted Resources

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

Estimates

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

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. Specifically, we have reclassified instructional costs reported as academic support costs in the prior year.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prior Year Restatement

Under pre-GASB 87 guidance, governments distinguished between operating and capital leases. Beginning in fiscal year 2022 and for the prior year presented, there is no longer a distinction between operating and capital leases. Leasing arrangements as defined by GASB 87 will now be treated as financings of the right to use the leased asset. GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset, such as a vehicle, building, or equipment) as specified in the contract for a period of time in an exchange or exchange-like transaction. The contract must be legally enforceable. A contract conveys control of the right to use the underlying asset if it has both of the following:

- a. The right to obtain the present service capacity from use of the underlying asset as specified in the contract and
- b. The right to determine the nature and manner of use of the underlying asset specified in the contract.

The results of the restatement on the Statement of Net Position balances for fiscal year 2021 are as follows:

	2021		Difference
	As Previously Reported	As Restated	
ASSETS			
Current assets:			
Accounts receivable and notes receivable, net of allowance	\$ 33,121,720	\$ 33,135,123	\$ 13,403
Total current assets	309,969,303	309,982,706	13,403
Noncurrent assets:			
Leases receivable	-	1,257,109	1,257,109
Total noncurrent assets	1,116,934,336	1,118,191,445	1,257,109
TOTAL ASSETS	1,426,903,639	1,428,174,151	1,270,512
 DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	-	1,245,685	1,245,685
TOTAL DEFERRED INFLOWS OF RESOURCES	67,113,311	68,358,996	1,245,685
 NET POSITION			
Unrestricted	(113,292,542)	(113,267,715)	24,827
TOTAL NET POSITION (Schedule D)	\$ 305,501,676	\$ 305,526,503	\$ 24,827

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The results of the restatement on the Statement of Changes in Revenues, Expenses, and Changes in Net Position balances for fiscal year 2021 are as follows:

	2021		Difference
	As Previously Reported	As Restated	
OPERATING REVENUES:			
Other operating revenues	\$ 5,510,381	\$ 5,519,108	\$ 8,727
Total operating revenues	93,270,727	93,279,454	8,727
OPERATING EXPENSES:			
Instruction	139,556,329	140,251,120	694,791
Academic support	28,846,462	28,151,671	(694,791)
Total operating expenses	484,466,459	484,466,459	-
Operating loss	(391,195,732)	(391,187,005)	8,727
NON-OPERATING REVENUES/(EXPENSES):			
Investment income	647,047	663,147	16,100
Net non-operating revenues	459,963,295	459,979,395	16,100
Increase in net position	78,891,399	78,916,226	24,827
NET POSITION:			
Net position - beginning of year, as restated	226,610,277	226,610,277	-
Net position - end of year	\$ 305,501,676	\$ 305,526,503	\$ 24,827

New Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model and requires notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019, but GASB Statement No. 95 postponed the effective date by 18 months to reporting periods beginning after June 15, 2021. The District implemented Statement No. 87 in FY22 and retrospectively to FY21. See Note 5 for additional information.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The requirement of this Statement were originally effective for periods beginning after December 15, 2020 but the effective date was postponed to reporting periods beginning after December 15, 2021, due to the implementation of GASB Statement No. 95. Earlier application is encouraged. The District evaluated the requirements of GASB 91 and determined there was no effect to the District's financial statements.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements in paragraph 4 related to the effective date of Statement 87 were originally effective upon issuance under Statement No. 92, but GASB 87 was postponed by the implementation of GASB 95 to become effective for reporting periods beginning after June 15, 2021. Statement No. 87 has been implemented by the District. See Note 5 for additional information. The requirements related to intra-entity transfers of assets addressed in paragraph 6 were effective immediately under GASB 92 but were postponed due to the implementation of GASB 95 to reporting periods for fiscal years beginning after June 15, 2021. The District evaluated the requirements of GASB 92 on the implementation of GASB 48 and determined there was no effect on the District's financial statements. The requirements related to the applicability of Statements 73 and 74 in paragraph 7 were originally effective for fiscal years beginning after June 15, 2020 but were postponed to reporting periods beginning after June 15, 2021 by GASB 95. The District evaluated the requirements of GASB 92 on the implementation of GASB 73 and determined there was no effect on the District's financial statements because Statement 73 was not applicable since the employees of the District participate in the defined benefit pension plan administered by TRS, which falls under the scope of GASB Statement No. 68. The District evaluated the requirements of GASB 92 on the implementation of GASB 74, and determined there was no effect on the District's financial statements because GASB Statement No. 74 addresses the reporting requirements for state and local governmental OPEB plans themselves, and are not applicable to the District, who is a participant under these OPEB plans.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications resulting from global reference rate reform, especially since the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The removal of LIBOR as an appropriate benchmark interest rate was to have been effective for reporting periods ending after December 31, 2021, but GASB Statement No. 95 changed the effective date of this portion of the Statement to periods ending after December 31, 2022. All other requirements of this Statement were to have been effective for reporting periods beginning after June 15, 2020, but GASB Statement No. 95 changed the requirements of this Statement to be effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The District evaluated the requirements of GASB 93 and determined there was no effect to the District's financial statements.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The District has evaluated GASB Statement No. 97 and determined there is no effect to the District's financial statements.

In June 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument. The requirements of this provision are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. The requirements of this provision are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District included the implementation of this requirement of GASB 99 in FY22 with the implementation of GASB 87.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. This provision is effective immediately. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP). This provision is effective immediately. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.
- Disclosures related to nonmonetary transactions. This provision is effective immediately. This requirement has been implemented by the District.
- Pledges of future revenues when resources are not received by the pledging government. This provision is effective immediately. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.
- Clarification of provision in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*, as amended, related to the focus of the government-wide financial statements. This provision is effective immediately. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This provision is effective immediately. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.
- Terminology used in Statement 53 to refer to resource flows statements. This provision is effective immediately. The District evaluated these requirements of GASB 99 and determined there was no effect to the District's financial statements.

Pending Pronouncements

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

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and availability payment arrangements (APAs) and provide uniform guidance on accounting and financial reporting for transactions that meet those definitions. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

In May 2020, GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset. The requirements of this provision are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has not yet completed the evaluation of the impact of this requirement on its future financial statements.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. The requirements of this provision are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has not yet completed the evaluation of the impact of this requirement on its future financial statements

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*-an amendment of GASB Statement No. 62. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 94, 96, 99, 100 and 101 on its future financial statements.

3. AUTHORIZED INVESTMENTS

The Board of Trustees of the District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Sec. 2256, Texas Government Code, the "Act") as amended. This policy is reviewed and approved by the Board of Trustees annually. Investment of funds is required to be in compliance with the Act. Authorized investments include (1) obligations of the U.S. government or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, (5) commercial paper rated at least A-1 or P-1, and (6) other instruments and obligations authorized by statute.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of the District's bank deposits at August 31, 2022 and 2021 was \$26,525,362 and \$14,011,012, respectively. Total bank balances at August 31, 2022 and 2021 equaled \$28,223,220 and \$15,011,481, respectively. The FDIC insures all bank deposits up to \$250,000. Deposits in excess of \$250,000 are collateralized at a level of at least 100% in U.S. Treasuries and Government Securities and high-grade municipal bonds, per the Tri-Party Collateral Management Agreement with the District's depository bank, Bank of America N.A. All collateral is held by BNY Mellon.

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2022 and 2021:

	2022	2021
Bank deposits: Demand deposits	\$ 4,341,494	\$ 3,678,497
Money market	22,183,868	10,332,515
Total bank deposits	26,525,362	14,011,012
Automated investment account	1,499,116	425,210
Local Government Investment Pool (TexPool) deposits	78,919,598	62,149,042
Petty cash on hand	37,020	3,006
Total cash and cash equivalents	\$ 106,981,096	\$ 76,588,270

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

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

The District utilizes the Pool option which invests conservatively in U.S. government securities, repurchase agreements, and AAA-rated money market mutual funds.

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The fair value of investments as of August 31, 2022 and 2021 is disclosed in the following section. Market values are provided by Hilltop Securities Asset Management, LLC. (HSAM). HSAM's source for pricing government securities (Treasuries and agencies) and most commercial paper is Securities Data Services (SVC), a subsidiary of SS&C Technologies, Inc. and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities and commercial paper pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing. IDC utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information. Because many fixed income securities do not trade on a daily basis, IDC's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. SVC and/or IDC provide some, but not all, of the commercial paper (CP) pricing, while HSAM estimates other CP prices based on comparable market offers of similar issuers with comparable credit ratings and maturity dates. All pricing and market values are based on Level 2 inputs. These sources are deemed reliable.

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2022 and 2021:

Type of Security	Fair Value at August 31,	
	2022	2021
U.S. government securities:		
FHLB coupon notes	\$ 42,424,660	\$ 43,745,852
FNMA coupon notes	3,854,337	3,906,110
FHLMC coupon notes	11,457,466	6,536,112
FFCB coupon notes	55,076,751	57,868,175
U.S. Treasuries	92,413,594	87,696,029
Municipal bonds	27,450,503	41,155,249
Commercial paper	26,902,752	153,766,719
Total	\$ 259,580,063	\$ 394,674,246

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statements of Net Position on August 31, 2022 and 2021 is as follows:

	Fair Value at August 31,	
	2022	2021
Total cash and cash equivalents	\$ 106,981,096	\$ 76,588,270
Total investments	259,580,063	394,674,246
Total	\$ 366,561,159	\$ 471,262,516
Per Exhibit 1:		
Cash and cash equivalents	\$ 16,908,345	\$ 14,229,949
Restricted cash and cash equivalents - current	52,773,318	42,651,028
Investments - current	56,602,245	95,046,329
Restricted short-term investments	-	124,698,486
Restricted cash and cash equivalents - noncurrent	37,299,433	19,707,293
Long-term investments	153,358,855	112,812,326
Long-term investments - restricted	49,618,963	62,117,105
Total	\$ 366,561,159	\$ 471,262,516

Fair Value Measurements

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

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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

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

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

The District had the following recurring fair value measurements for investment assets at August 31, 2022:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 112,813,214	\$ -	\$ 112,813,214
U.S. Treasuries	-	92,413,594	-	92,413,594
Municipal bonds	-	27,450,503	-	27,450,503
Commercial paper	-	26,902,752	-	26,902,752
Total	\$ -	\$ 259,580,063	\$ -	\$ 259,580,063

The District had the following recurring fair value measurements for investment assets at August 31, 2021:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 112,056,249	\$ -	\$ 112,056,249
U.S. Treasuries	-	87,696,029	-	87,696,029
Municipal bonds	-	41,155,249	-	41,155,249
Commercial paper	-	153,766,719	-	153,766,719
Total	\$ -	\$ 394,674,246	\$ -	\$ 394,674,246

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The District had the following cash equivalents and investments at August 31, 2022 and 2021, excluding bank deposits and petty cash:

Type	2022			2021		
	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	\$ 42,424,660	12.5% ^	3.414	\$ 43,745,852	9.6% ^	2.886
FNMA	3,854,337	1.1%	1.110	3,906,110	0.9%	1.110
FHLMC	11,457,466	3.4%	1.541	6,536,112	1.4%	1.121
FFCB	55,076,751	16.2% ^	1.785	57,868,175	12.7% ^	1.613
U.S. Treasuries	92,413,594	27.2% ^	1.343	87,696,029	19.2% ^	1.214
Municipal bonds	27,450,503	8.1% ^	2.902	41,155,249	9.0% ^	2.584
Commercial paper	26,902,752	7.9% ^	0.708	153,766,719	33.6% ^	0.453
TexPool	78,919,598	23.2% ^	0.003	62,149,042	13.6% ^	0.003
BlackRock Treasury fund	1,440,438	0.4%	0.003	365,178	0.1%	0.003
Total	\$ 339,940,099	100%		\$ 457,188,466	100%	

Portfolio weighted average maturity at August 31 1.436 1.124

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

^ = Investment type balance greater than 5% of total investments for respective year

Credit Risk – In accordance with state law and the District’s investment policy, investments in the investment pools are limited to AAA or AAAM by at least one nationally recognized rating agency. At August 31, 2022, TexPool was rated AAAM. All other credit standards are governed by the District’s investment policy, which is in compliance with or exceeds state statutes for credit standards. These state standards include: commercial paper rated no less than A-1 or P-1 by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank; obligations of states, agencies, counties, cities and other political subdivisions rated no less than A or its equivalent by a nationally recognized investment rating firm.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Below is a list of the individual investments held and their respective credit ratings at August 31, 2022 and 2021:

Issuer	Credit rating at 8/31/2022	Credit rating at 8/31/2021
Baylor Scott & White	*	A-1+/P-1
BlackRock Treasury Trust Fund	AAAm	AAAm
City of Austin, TX	*	A-1+/P-1/F1
City of San Antonio, TX	AAA/Aaa/AA+	AAA/Aaa/AA+
Columbia University	*	A-1+/P-1
Cornell University	*	A-1+/P-1
DFW Airport	*	A-1/P-1
FFCB	AA+/Aaa/AAA	AA+/Aaa/AAA
FHLB	AA+/Aaa/AAA	AA+/Aaa/AAA
FHLMC	AA+/Aaa /AAA	AA+/Aaa/AAA
FNMA	AA+/Aaa /AAA	AA+/Aaa/AAA
J.P. Morgan Securities	A-1/P-1/F1+	A-1/P-1/F1+
Kaiser Foundation Hospital	*	A-1+/F1+
Met Govt Nashville & Davidson Cnty	AA/Aa2	AA/Aa2
Pasadena TX ISD	*	AAA/Aaa
Royal Bank of Canada	A-1+/P-1/F1+	*
Spring TX ISD	*	AAA/Aaa
State of TX College Student Loan	*	AAA/Aaa
State of TX Hwy Improve	*	AAA/Aaa/AAA
Tarrant Regl Water District	AAA/AA	AAA/AA+
Texas A&M University	AAA/Aaa/AAA	AAA/Aaa/AAA
Texas Public Finance Authority	AA+/Aa1	AA+/Aa1
Texas State	AAA/Aaa	*
Texas Transportation Commission	Aaa/AAA	AAA/AAA
TexPool	AAAm	AAAm
Travis County, TX	AAA/Aaa	AAA/Aaa
University of California	*	A-1+/P-1/F1+
University of Texas	*	A-1+/P-1/F1+
US Treasury Note	AA+/Aaa/AAA	AA+/Aaa/AAA
Vanderbilt University	A-1+/F1+	A-1+/P-1/F1+

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. LEASES RECEIVABLE

The District, as lessor, has entered into a lease agreement with 1415 North Main, LLC to lease a portion of Parking Garage #2 located at San Antonio College. The lease term is September 24, 2021 through December 31, 2096. In exchange for access to 381 parking spaces the District will receive \$76,200 annually through December 31, 2085, and then receive \$91,440 annually through the remainder of the term of the lease. Accordingly, the District has recorded a lease receivable asset in the amount of \$2,933,861. The District will begin receiving lease payments in January 2024.

The District, as lessor, has entered into a lease agreement with San Antonio MTA, L.P. d/b/a Verizon Wireless to lease 336 square feet of rooftop space at Northwest Vista College for the installation of communications equipment. The lease term began January 1, 2016 for a five-year term. The lease is automatically renewed for four additional five-year terms unless lessee terminates by written notice. There also exist five additional five-year extensions, making it possible for this lease to extend through December 31, 2065. In exchange for the space the District will receive \$13,200 annually, subject to a 3% per annum increase on the anniversary of the commencement date. Accordingly, the District has recorded a lease receivable asset in the amount of \$976,432. In FY22 lease revenue and interest revenue for this lease was \$13,919 and \$1,690, respectively. In FY21 lease revenue and interest revenue for this lease was \$12,777 and \$2,377, respectively.

The District, as lessor, has entered into a lease agreement with New Cingular Wireless PCS, LLC to lease 2,500 square feet of rooftop space at Northeast Lakeview College for the installation of communications equipment. The lease term began August 28, 2013 for a five-year term. The lease is automatically renewed for four additional five-year terms unless lessee terminates by written notice, making it possible for this lease to extend through August 27, 2038. In exchange for the space the District will receive \$12,000 annually, subject to a 3% per annum increase on the anniversary of the commencement date. Accordingly, the District has recorded a lease receivable asset in the amount of \$307,897. In FY22 lease revenue and interest revenue for this lease was \$3,493 and \$11,713, respectively. In FY21 lease revenue and interest revenue for this lease was \$3,322 and \$11,441, respectively.

The District, as lessor, has entered into a lease agreement with East Pointe Holdings dba Heartland Food Group to lease 22,344 square feet of restaurant and café space at each of the five District Colleges as well as at the Southwest Center of Excellence for the operation of food services. The lease term began August 9, 2021, with a termination date of August 31, 2022. There is an option to renew for four one-year periods. In exchange for the space the District will receive \$118,080 annually. Accordingly, the District has recorded a lease receivable asset in the amount of \$579,233. In FY22 lease revenue and interest revenue for this lease was \$3,732 and \$114,349, respectively.

The District, as lessor, has entered into a lease agreement with New Frontiers to lease 6,800 square feet of classroom space at San Antonio College. The lease term began May 19, 2022, with a termination date of June 30, 2024. There is an option to renew for two two-year periods. In exchange for the space the District will receive \$74,800 annually. Accordingly, the District has recorded a lease receivable asset in the amount of \$411,069. In FY22 lease revenue and interest revenue for this lease was \$1,996 and \$10,550, respectively.

	Interest Rate(s)	Receivable At Commencement	Lease Term In Years	Balance 8/31/2022
<u>Business-type Activities</u>				
Parking garage spaces at San Antonio College with 1415 N. Main	1.92%	\$ 2,933,861	75.3	\$ 2,985,912
Cell phone tower space at Northwest Vista College with Verizon	1.43%	976,432	45.3	972,365
Cell phone tower space at Northeast Lakeview College with AT&T	1.20%	307,897	18.0	284,743
Cafeteria and café space at all Colleges with Heartland Food Service	0.78%	579,233	5.0	464,883
Classroom space at San Antonio College with New Frontiers	2.94%	411,069	6.1	400,519
Leases receivable				<u>\$ 5,108,422</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2022 was as follows:

	Balance 9/1/2021	Increases	Decreases	Balance 8/31/2022
<u>Not Depreciated:</u>				
Land	\$ 55,650,908	\$ -	\$ -	\$ 55,650,908
Works of art	390,460	470,395	-	860,855
Construction in progress	147,804,737	96,009,593	90,301,642	153,512,688
Subtotal	<u>203,846,105</u>	<u>96,479,988</u>	<u>90,301,642</u>	<u>210,024,451</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	1,002,971,710	130,041,655	-	1,133,013,365
Other real estate improvements	141,622,902	-	-	141,622,902
Total buildings and other real estate improvements	<u>1,144,594,612</u>	<u>130,041,655</u>	<u>-</u>	<u>1,274,636,267</u>
Software	3,185,829	78,599	-	3,264,428
Furniture, machinery and equipment	46,748,619	9,515,965	1,710,172	54,554,412
Library materials	15,842,627	-	15,458	15,827,169
Total buildings and other capital assets	<u>1,210,371,687</u>	<u>139,636,219</u>	<u>1,725,630</u>	<u>1,348,282,276</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	349,746,434	27,444,439	-	377,190,873
Other real estate improvements	85,960,499	5,046,234	-	91,006,733
Total buildings and other real estate improvements	<u>435,706,933</u>	<u>32,490,673</u>	<u>-</u>	<u>468,197,606</u>
Software	3,173,645	7,871	-	3,181,516
Furniture, machinery and equipment	38,011,200	3,567,480	1,670,655	39,908,025
Library materials	15,028,402	156,478	15,458	15,169,422
Total accumulated depreciation	<u>491,920,180</u>	<u>36,222,502</u>	<u>1,686,113</u>	<u>526,456,569</u>
Net capital assets	<u>\$ 922,297,612</u>	<u>\$ 199,893,705</u>	<u>\$ 90,341,159</u>	<u>\$ 1,031,850,158</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

6. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2021 was as follows:

	Balance 9/1/2020	Increases	Decreases	Balance 8/31/2021
<u>Not Depreciated:</u>				
Land	\$ 54,648,557	\$ 1,002,351	\$ -	\$ 55,650,908
Works of art	385,460	5,000	-	390,460
Construction in progress	64,062,216	123,996,967	40,254,446	147,804,737
Subtotal	<u>119,096,233</u>	<u>125,004,318</u>	<u>40,254,446</u>	<u>203,846,105</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	952,378,226	50,593,484	-	1,002,971,710
Other real estate improvements	141,622,902	-	-	141,622,902
Total buildings and other real estate improvements	<u>1,094,001,128</u>	<u>50,593,484</u>	<u>-</u>	<u>1,144,594,612</u>
Software	3,202,579	5,750	22,500	3,185,829
Furniture, machinery and equipment	44,505,531	3,767,271	1,524,183	46,748,619
Library materials	15,774,196	68,431	-	15,842,627
Total buildings and other capital assets	<u>1,157,483,434</u>	<u>54,434,936</u>	<u>1,546,683</u>	<u>1,210,371,687</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	323,498,329	26,248,105	-	349,746,434
Other real estate improvements	80,914,265	5,046,234	-	85,960,499
Total buildings and other real estate improvements	<u>404,412,594</u>	<u>31,294,339</u>	<u>-</u>	<u>435,706,933</u>
Software	3,176,308	19,837	22,500	3,173,645
Furniture, machinery and equipment	36,634,156	2,896,000	1,518,956	38,011,200
Library materials	14,824,558	203,844	-	15,028,402
Total accumulated depreciation	<u>459,047,616</u>	<u>34,414,020</u>	<u>1,541,456</u>	<u>491,920,180</u>
Net capital assets	<u>\$ 817,532,051</u>	<u>\$ 145,025,234</u>	<u>\$ 40,259,673</u>	<u>\$ 922,297,612</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

7. NONCURRENT LIABILITIES

As of August 31, 2022, noncurrent liabilities are \$883,757,873 with activity for the fiscal year as follows:

	Balance 9/1/21	Additions	Reductions	Balance 8/31/22	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 528,225,000	\$ -	\$ 26,155,000	\$ 502,070,000	\$ 19,600,000
Revenue bonds	68,510,000	-	6,395,000	62,115,000	6,715,000
Maintenance tax notes	50,100,000	-	22,350,000	27,750,000	9,600,000
Premium on bonds payable	88,498,894	-	6,081,335	82,417,559	5,005,087
Subtotal	735,333,894	-	60,981,335	674,352,559	40,920,087
Notes payable	4,684,203	-	1,181,263	3,502,940	1,203,467
Compensable absences	8,901,050	5,090,541	5,894,413	8,097,178	748,199
Unearned income	797,280	-	53,152	744,128	53,152
Net pension liability	78,547,226	-	40,571,878	37,975,348	-
Net OPEB liability	182,108,484	34,948,268	10,807,362	206,249,390	4,238,765
Total	\$ 1,010,372,137	\$ 40,038,809	\$ 119,489,403	\$ 930,921,543	\$ 47,163,670

As of August 31, 2021, noncurrent liabilities are \$950,318,111 with activity for the fiscal year as follows:

	Balance 9/1/20	Additions	Reductions	Balance 8/31/21	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 346,695,000	\$ 195,980,000	\$ 14,450,000	\$ 528,225,000	\$ 17,675,000
Revenue bonds	76,510,000	-	8,000,000	68,510,000	6,395,000
Maintenance tax notes	91,095,000	21,660,000	62,655,000	50,100,000	22,350,000
Premium on bonds payable	61,017,001	35,103,408	7,621,515	88,498,894	5,748,513
Subtotal	575,317,001	252,743,408	92,726,515	735,333,894	52,168,513
Notes payable	9,692,811	-	5,008,608	4,684,203	1,180,399
Compensable absences	7,948,665	5,094,324	4,141,939	8,901,050	577,474
Unearned income	850,432	-	53,152	797,280	53,152
Net pension liability	76,191,272	8,407,118	6,051,164	78,547,226	-
Net OPEB liability	189,740,609	21,184,186	28,816,311	182,108,484	6,074,488
Total	\$ 859,740,790	\$ 287,429,036	\$ 136,797,689	\$ 1,010,372,137	\$ 60,054,026

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

8. DEBT OBLIGATIONS

Debt service requirements at August 31, 2022 were as follows (table amounts in 000s):

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds*		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 19,600	\$ 21,512	\$ 6,715	\$ 2,679	\$ 9,600	\$ 1,108	\$ 35,915	\$ 25,299
2024	20,575	20,541	7,055	2,356	1,895	833	29,525	23,730
2025	21,615	19,509	4,245	2,092	1,990	736	27,850	22,337
2026	22,705	18,425	3,395	1,910	2,095	634	28,195	20,969
2027	23,835	17,286	2,110	1,784	2,200	527	28,145	19,597
2028-2032	109,000	69,111	10,835	7,646	9,970	934	129,805	77,691
2033-2037	155,015	42,243	10,210	5,474	-	-	165,225	47,717
2038-2042	87,035	14,896	7,715	3,396	-	-	94,750	18,292
2043-2047	42,690	2,564	9,835	1,279	-	-	52,525	3,843
TOTAL	\$ 502,070	\$ 226,087	\$ 62,115	\$ 28,616	\$ 27,750	\$ 4,773	\$ 591,935	\$ 259,476

*The interest rate as of August 31, 2022 (1.7%) was used to compute future interest costs for the variable rate revenue bonds included in the table above.

Debt service requirements at August 31, 2021 were as follows (table amounts in 000s):

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds*		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 17,675	\$ 23,786	\$ 6,395	\$ 2,984	\$ 22,350	\$ 1,832	\$ 46,420	\$ 28,602
2023	19,600	21,851	6,715	2,679	9,600	1,108	35,915	25,638
2024	20,575	20,880	7,055	2,356	1,895	833	29,525	24,069
2025	21,615	19,848	4,245	2,092	1,990	736	27,850	22,676
2026	22,705	18,764	3,395	1,910	2,095	634	28,195	21,308
2027-2031	112,380	76,242	10,895	8,074	12,170	1,461	135,445	85,777
2032-2036	149,460	50,328	10,035	5,923	-	-	159,495	56,251
2037-2041	102,775	19,063	8,250	3,773	-	-	111,025	22,836
2042-2046	61,440	4,199	9,355	1,756	-	-	70,795	5,955
2047-2051	-	-	2,170	54	-	-	2,170	54
TOTAL	\$ 528,225	\$ 254,961	\$ 68,510	\$ 31,601	\$ 50,100	\$ 6,604	\$ 646,835	\$ 293,166

*The interest rate as of August 31, 2021 (1.7%) was used to compute future interest costs for the variable rate revenue bonds included in the table above.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

9. BONDS AND TAX NOTES PAYABLE

Bonds and tax notes payable for the years ended August 31, 2022 and 2021 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	Balance August 31, 2022	Balance August 31, 2021
General Obligation Bonds (Repayment source - Ad valorem taxes)					
2007	Construct, renovate, acquire and equip new and existing facilities. Dated March 15, 2007.	\$ 271,085,000	4.5%	\$ 15,760,000	\$ 15,760,000
2012	Refund certain of the District's outstanding Limited Tax Bonds Series 2007 and 2007A. Dated June 15, 2012.	74,110,000	3.5% - 5.0%	65,630,000	74,110,000
2016	Refund the District's outstanding Limited Tax Bonds Series 2006 and 2006A. Dated May 15, 2016.	72,065,000	3.5% - 5.0%	47,735,000	50,090,000
2017	Refund the District's outstanding Limited Tax Bonds Series 2007 and 2007A and construct, renovate, acquire and equip new and existing facilities. Dated September 15, 2017.	258,940,000	3.0% - 5.0%	179,735,000	192,285,000
2021	Construct, renovate, acquire and equip new and existing facilities. Dated May 15, 2021.	195,980,000	2.375% - 5.0%	193,210,000	195,980,000
Subtotal - General Obligation Bonds				\$ 502,070,000	\$ 528,225,000
Maintenance Tax Notes (Repayment source - Ad valorem taxes)					
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Dated January 15, 2014.	\$ 40,665,000	5.5%	\$ 4,030,000	\$ 9,435,000
2020	Renovate and repair existing District facilities. Dated January 28, 2020.	48,475,000	4.0%	3,770,000	19,005,000
2021	Refund the District's outstanding Maintenance Tax Notes, Series 2011. Dated April 1, 2021.	21,660,000	4.0% - 5.0%	19,950,000	21,660,000
Subtotal - Maintenance Tax Notes				\$ 27,750,000	\$ 50,100,000
Revenue Financing System (Repayment source - Pledged revenue*)					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Dated March 1, 2012.	\$ 55,800,000	3.0% - 5.25%	\$ 28,960,000	\$ 34,395,000
2017	Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Dated January 15, 2017.	34,880,000	3.0% - 5.0%	32,020,000	32,690,000
2017	(Variable Rate) Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Dated January 15, 2017. Remarketed November 1, 2019 and converted to Term Rate Period.	15,690,000	1.7%	1,135,000	1,425,000
Subtotal - Revenue Financing System Bonds				\$ 62,115,000	\$ 68,510,000
Total Bonds				\$ 591,935,000	\$ 646,835,000
*Pledged revenue is all revenue to the extent it may be pledged as security for debt obligations pursuant to applicable Texas law.					

Bonds payable are due in annual installments varying from \$175,950 to \$21,626,900 with interest rates from 1.7% to 5.5%, with the final installment due in fiscal year 2047.

The District issued and cash defeased certain outstanding bonds in fiscal year ended August 31, 2022.

In August 2022, the District cash defeased \$8,480,000 of the Limited Tax Refunding Bonds, Series 2012 for a net present value savings of \$5,083,000.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

9. BONDS AND TAX NOTES PAYABLE (continued)

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

The U.S. Department of Treasury regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. A rebate computation and payment to the Federal Government, if applicable, is required to be made at least every five years or each "Rebate Installment Computation Date" and upon final redemption or maturity of the bonds. The District had no liability related to arbitrage rebate at August 31, 2022 and August 31, 2021.

10. DEFEASED BONDS OUTSTANDING

As of August 31, 2022, and 2021, the District had no defeased bonds outstanding.

11. EMPLOYEES' RETIREMENT PLANS

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

Teacher Retirement System of Texas – Defined Benefit Plan

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

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

Pension Plan Fiduciary Net Position: Detailed information about the TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information.

The report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; by calling (512) 542-6592; or online at <https://www.trs.texas.gov/Pages/about%20publications.aspx>.

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity. For members who are grandfathered, the three highest annual salaries are used.

The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. EMPLOYEES' RETIREMENT PLANS (continued)

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description paragraph above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions: Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in State statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. Contribution rates can be found in the TRS 2021 ACFR, Note 11, on pages 85 and 86.

	<u>Contribution Rates</u>	
	2021	2022
Member	7.7%	8.0%
District/Non-employer contributing entity (State)	7.5%	7.75%
District contributions (audited)	\$ 6,363,619	
State of Texas on-behalf contributions (unaudited)	\$ 5,363,358	

The District's contributions to the TRS pension plan in 2022 were \$7,015,286 as reported in the Schedule of District Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2022 were \$5,810,361.

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. EMPLOYEES' RETIREMENT PLANS (continued)

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

Actuarial Assumptions: The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate as of August 2020*	1.95%
Last year ending August 31 in projection period (100 years)	2120
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, see the TRS actuarial valuation report dated November 9, 2020. The TRS Board of Trustees have the sole authority to determine the actuarial assumptions used for the plan.

Changes Since the Prior Actuarial Valuation: There were no changes in assumptions since the prior measurement date.

Discount Rate: The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020, gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. EMPLOYEES' RETIREMENT PLANS (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global equity			
U.S.	18.0%	3.6%	0.94%
Non-U.S. developed	13.0%	4.4%	0.83%
Emerging markets	9.0%	4.6%	0.74%
Private equity	14.0%	6.3%	1.36%
Stable value			
Government bonds	16.0%	-0.2%	0.01%
Absolute return	0.0%	1.1%	0.00%
Stable value hedge funds	5.0%	2.2%	0.12%
Real return			
Real estate	15.0%	4.5%	1.00%
Energy, natural resources and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk parity			
Risk parity	8.0%	2.8%	0.28%
Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset allocation leverage	-6.0%	-0.5%	0.03%
Inflation expectation			2.20%
Volatility drag ⁴			-0.95%
Expected return	<u>100.0%</u>		<u>6.90%</u>

¹ Absolute return includes credit sensitive investments

² Target allocations are based on the FY2021 policy model.

³ Capital market assumptions come from Aon Hewitt (as of 8/31/2021).

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2021 Annual Comprehensive Financial Report

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. EMPLOYEES' RETIREMENT PLANS (continued)

Discount Rate Sensitivity Analysis: The following table shows the impact on the District's proportionate share of the collective net pension liability if the discount rate used was 1 percent less than or 1 percent greater than the discount rate that was used (7.25%) in measuring the net pension liability reported at August 31, 2022.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 82,982,163	\$ 37,975,348	\$ 1,461,160

The following table shows the impact on the District's proportionate share of the collective net pension liability if the discount rate used was 1 percent less than or 1 percent greater than the discount rate that was used (7.25%) in measuring the net pension liability reported at August 31, 2021.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 121,118,416	\$ 78,547,226	\$ 43,959,066

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2022, the District reported a liability of \$37,975,348 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	37,975,348
State's proportionate share that is associated with District		32,006,223
Total		\$ 69,981,571

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the District's proportion of the collective net pension liability was 0.1491190618%, which was an increase of 0.0024607017% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the District recognized negative, actuarially-calculated pension expense of (\$6,945,689) and additional on-behalf revenue and expense of \$127,957 for support provided by the State. For the year ended August 31, 2021, the District recognized pension expense of \$2,574,360 and additional on-behalf revenue and expense of \$7,992,000 for support provided by the State.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. EMPLOYEES' RETIREMENT PLANS (continued)

At August 31, 2022, the District's proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 63,551	\$ 2,673,495
Changes in actuarial assumptions	13,423,544	5,851,514
Net difference between projected and actual investment earnings	-	31,841,836
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,064,271	3,932,500
Contributions paid to TRS subsequent to the measurement date	7,015,286	-
Total	\$ 22,566,652	\$ 44,299,345

At August 31, 2021, the District's proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 143,421	\$ 2,192,045
Changes in actuarial assumptions	18,225,751	7,749,462
Net difference between projected and actual investment earnings	1,590,121	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,708,359	6,196,268
Contributions paid to TRS subsequent to the measurement date	6,363,260	-
Total	\$ 28,030,912	\$ 16,137,775

The \$7,015,286 amount reported at August 31, 2022 as deferred outflows of resources related to pensions resulting from District contributions to the pension plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2023.

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

Year ending August 31,	Pension Expense Amount
2023	\$ (5,414,424)
2024	(5,500,144)
2025	(8,270,194)
2026	(9,475,600)
2027	(70,818)
Thereafter	(16,800)

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. EMPLOYEES' RETIREMENT PLANS (continued)

Optional Retirement Plan (ORP) – Defined Contribution Plan

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

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

Total payroll for the District and for employees under each retirement plan, retirement expense for the State and the District, and contribution rates mandated by the State for the years ended August 31, 2022, 2021 and 2020 are as follows:

	2022	2021	2020
Payroll - all District employees	\$ 216,908,133	\$ 210,285,074	\$ 204,461,061
Payroll - TRS participants	165,846,480	156,470,787	149,218,481
Payroll - ORP participants	27,852,415	28,916,555	30,250,392
 Total required annual contributions:			
State on-behalf contributions	\$ 1,030,000	\$ 8,940,000	\$ 10,840,000
District contributions	1,480,000	10,170,000	13,470,000
District/State contribution percentages - TRS	7.75%	7.50%	7.50%
Participant contribution percentages - TRS	8.00%	7.70%	7.70%
District/State contribution percentages - ORP	7.75%	7.50%	7.50%
Participant contribution percentages - ORP	6.65%	6.65%	6.65%

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

12. DEFERRED COMPENSATION PROGRAM

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

A total of approximately \$2,001,000 was contributed by 336 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program including designated Roth accounts and 190 participants contributed a total of approximately \$732,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2022.

A total of approximately \$2,030,000 was contributed by 342 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program including designated Roth accounts and 170 participants contributed a total of approximately \$737,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2021.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

12. DEFERRED COMPENSATION PROGRAM (continued)

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

13. COMPENSABLE ABSENCES

The District's full-time employees earn 8 hours of sick leave per month. Administrators earn 14 hours of annual leave per month and other full-time employees earn from 6.66 to 12 hours of annual leave per month depending on their length of employment with the District. Sick leave balances may accumulate with no maximum and are forfeited at the time of separation. Employees who successfully complete the ninety-day initial employment period and terminate their employment are entitled to payment for accumulated annual leave up to the maximum allowed. The District's policy is that an employee may carry accrued annual leave forward from one fiscal year to another with a maximum of 288 hours for employees with 16 years or more of service and 336 hours for administrators.

In fiscal year 2021, since many employees were not able to travel due to COVID-19, the District increased the maximum allowable amounts of accrued annual leave employees were allowed to carry forward to 432 hours for employees with 15 years or more of service and to 504 hours for administrators. Beginning in November 2020, the District allowed employees to redeem up to 80 hours, in eight-hour increments, of accrued vacation provided that the employee maintained a minimum of 40 hours of accrued vacation subsequent to the redemption. A total of 698 employees redeemed approximately 47,000 hours at a value of approximately \$1,500,000. The offer to allow employees to redeem accrued vacation was extended as a benefit to assist District employees whose financial condition may have been negatively impacted due to the COVID-19 pandemic.

The District recognizes the accrued liability for annual leave as a liability in the Statements of Net Position (see also Note 7). The current portion of the annual leave liability is that which is projected to be paid during the next fiscal year and is based on a five-year average. The total accrued at August 31, 2022 and 2021 for annual leave was approximately \$8,100,000, and \$8,900,000, respectively.

14. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2022 and 2021 were as follows:

	2022	(Restated) 2021*
Tuition and fees receivable	\$ 13,780,241	\$ 11,390,083
Taxes receivable	10,116,589	9,628,138
Contracts and grants receivable	25,471,866	26,460,247
Interest receivable	451,873	685,374
Other receivables	<u>3,575,101</u>	<u>3,595,657</u>
Subtotal	<u>53,395,670</u>	<u>51,759,499</u>
Less allowance for doubtful accounts:		
Tuition and fees receivable	10,183,559	9,448,932
Taxes receivable	8,943,730	8,950,610
Other receivables	<u>202,380</u>	<u>224,834</u>
Net accounts receivable and notes receivable	<u>\$ 34,066,001</u>	<u>\$ 33,135,123</u>

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

14. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES (continued)

Accounts payable and accrued liabilities at August 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Accounts payable to vendors	\$ 25,858,062	\$ 40,964,212
Accrued liabilities:		
Salaries and benefits	9,655,949	14,272,415
Construction retainage	20,894,464	12,355,143
Bond interest	1,899,079	3,409,706
Workers' compensation claims	780,267	780,267
Other	431,969	88,822
Total accounts payable and accrued liabilities	<u>\$ 59,519,790</u>	<u>\$ 71,870,565</u>

15. FUNDS HELD FOR OTHERS

The District holds unapplied Federal Direct Loan Program funds, funds for certain students and funds for student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of \$936,923 and \$798,690 as of August 31, 2022 and 2021, respectively.

16. CONTRACT AND GRANT AWARDS

Contract and grant revenue for which funds have been expended is included in the Statements of Revenues, Expenses and Changes in Net Position. Contract and grant awards for which funds have been expended but not yet collected are included in Accounts Receivable in Exhibit 1, Statements of Net Position. Contract and grant awards for which funds have been received but not yet expended are included in unearned income in the Statements of Net Position. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years ended August 31, 2022 and 2021 for which no expenses have been incurred, totaled approximately \$200,000,000 and \$233,000,000, respectively.

17. SELF-INSURED AND RISK MANAGEMENT PLANS

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

The District's Workers' Compensation Self-Insurance Fund (the Fund) is administered by a third party. Through the Fund, the District self-insures workers' compensation claims up to \$450,000 per occurrence. Individual losses of over \$450,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, \$3,074,944 of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

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

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately \$780,000 and \$780,000 at August 31, 2022 and 2021, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying Statements of Net Position. These liabilities are generally based on an actuarial valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 2.25% for both August 31, 2022 and 2021.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2022	\$ 780,267	\$ 382,577	\$ (382,577)	\$ 780,267
2021	762,086	276,476	(258,295)	780,267

18. HEALTH CARE AND LIFE INSURANCE BENEFITS

The State of Texas pays certain health care and life insurance benefits for active employees. These benefits are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per eligible full-time employee or retiree was between approximately \$625 and \$1,222 per month for the year ended August 31, 2022 and between approximately \$625 and \$1,222 per month for the year ended August 31, 2021.

The table below depicts the cost of providing health care benefits to the District's retired and active employees, and the amount appropriated to the District from the State of Texas. Payments of these benefits by the State were recognized as restricted state appropriations with an equal amount recognized as restricted benefit expenses. These payments do not flow through the District's cash accounts.

Cost of Providing Health Care Insurance	2022	2021
Number of Retirees	1,387	1,311
Cost of Health Benefits for Retirees	\$ 9,538,050	\$ 9,082,623
Number of Active Full-time Employees	2,606	2,670
Cost of Health Benefits for Active Full-time Employees	\$ 22,445,297	\$ 22,555,348
State Appropriation for Health Insurance	\$ 14,482,055	\$ 14,357,451
District's Expense for Health Insurance	\$ 17,501,292	\$ 17,280,521

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN

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

OPEB Plan Fiduciary Net Position: Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/reports-and-studies/reports-on-overall-ers-operations-and-financial-ma/2021-acfr>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

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

Contributions: Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate, for the measurement years ended August 31, 2021 and 2020. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
For the Measurement Years Ended August 31, 2021 and 2020

	2021	2020
Retiree only	\$ 624.82	\$ 624.82
Retiree & spouse	1,339.90	1,340.82
Retiree & children	1,103.58	1,104.22
Retiree & family	1,818.66	1,820.22

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Premium contributions to the GBP plan for the year ended August 31, 2022 by source are summarized in the following table.

Premium Contributions by Source
Group Benefits Program Plan
For the Year Ended August 31, 2022

FY2022 Member (Employee) Contributions	\$	5,961,017
FY2022 District Contributions		5,124,159
FY2021 State of Texas (NECE) Contributions*		14,357,451

*NECE contributions include both active members and retirees.

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2021
Actuarial cost method	Entry age
Last experience study	7-year period from September 1, 2010 to August 31, 2017
Discount rate	2.14%
Projected annual salary increase (includes inflation)	2.30% to 9.05%
Annual healthcare trend rate	5.25% for FY23; 5.15% for FY24; 5.00% for FY25; 4.75% for FY26; 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of 4 per 100 male members and 2 per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS plan actuary as of August 31, 2019 and the TRS retirement plan actuary as of August 31, 2017.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

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

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations.
- The annual rate of increase in the Patient-Centered Outcomes Research Institute (PCORI) fee payable under the Affordable Health Care Act (ACA) has been updated to reflect recent health plan experience and its effects on short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Discount Rate: Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%.

The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality that is roughly equivalent to Moody's Investors Service's Aa2 rating and S&P Global Ratings Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Discount Rate Sensitivity Analysis: The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than or 1 percent greater than the discount rate that was used (2.14%) in measuring the net OPEB liability reported at August 31, 2022.

	1% Decrease (1.14%)	Single Discount Rate (2.14%)	1% Increase (3.14%)
District's proportionate share of the net OPEB liability	\$ 245,650,850	\$ 206,249,390	\$ 175,423,634

The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than or 1 percent greater than the discount rate that was used (2.20%) in measuring the net OPEB liability reported at August 31, 2021.

	1% Decrease (1.20%)	Single Discount Rate (2.20%)	1% Increase (3.20%)
District's proportionate share of the net OPEB liability	\$ 216,448,774	\$ 182,108,484	\$ 155,205,942

Healthcare Trend Rate Sensitivity Analysis: For fiscal year 2022, the initial healthcare trend rate is 5.25% and the ultimate rate is 4.30%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than or 1 percent greater than the healthcare cost trend rate that was used (5.25% decreasing to 4.30%) in measuring the net OPEB liability reported at August 31, 2022.

	1% decrease in Healthcare Cost Trend Rates (4.25% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (5.25% decreasing to 4.30%)	1% increase in Healthcare Cost Trend Rates (6.25% decreasing to 5.30%)
District's proportionate share of the net OPEB liability	\$ 172,709,584	\$ 206,249,390	\$ 250,192,501

For fiscal year 2021, the initial healthcare trend rate was 8.8% and the ultimate rate was 4.3%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than or 1 percent greater than the healthcare cost trend rate that was used (8.8% decreasing to 4.3%) in measuring the net OPEB liability reported at August 31, 2022.

	1% decrease in Healthcare Cost Trend Rates (7.8% decreasing to 3.3%)	Current Healthcare Cost Trend Rates (8.8% decreasing to 4.3%)	1% increase in Healthcare Cost Trend Rates (9.8% decreasing to 5.3%)
District's proportionate share of the net OPEB liability	\$ 152,412,821	\$ 182,108,484	\$ 221,036,393

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Changes of Benefit Terms Since Prior Measurement Date: Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At August 31, 2022, the District reported a liability of \$206,249,390 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$	206,249,390
State's proportionate share that is associated with District		171,379,645
Total		\$ 377,629,035

The net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the District's proportion of the collective net OPEB liability was 0.57490306%, which was an increase of 0.02380452% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the District recognized OPEB expense of \$2,497,228 and an additional on-behalf offset to OPEB expense and revenue of \$2,090,979 for support provided by the State. For the year ended August 31, 2021, the District recognized OPEB expense of \$1,231,121 and an additional on-behalf offset to OPEB expense and revenue of \$1,862,089 for support provided by the State.

At August 31, 2022, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 5,059,065
Changes in actuarial assumptions	14,120,642	22,971,565
Net difference between projected and actual investment earnings	36,528	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	17,345,335	570,348
Contributions paid to ERS subsequent to the measurement date*	2,946,159	-
Total	\$ 34,448,664	\$ 28,600,978

*Represents the amount of the District's employer contributions that were transferred into the SRHP plan by ERS. Actual contributions were \$5,124,159, as reported in the Schedule of OPEB Contributions in the RSI section of this ACFR. For additional information, see the Notes to RSI - Net OPEB Liability.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

At August 31, 2021, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 7,122,354
Changes in actuarial assumptions	10,542,815	39,236,873
Net difference between projected and actual investment earnings	54,349	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	17,574,473	774,326
Contributions paid to ERS subsequent to the measurement date*	3,165,923	-
Total	\$ 31,337,560	\$ 47,133,553

*Represents the amount of the District's employer contributions that were transferred into the SRHP plan by ERS. Actual contributions were \$4,847,826, as reported in the Schedule of OPEB Contributions in the RSI section of this ACFR. For additional information, see the Notes to RSI - Net OPEB Liability.

The \$2,946,159 amount reported at August 31, 2022 as deferred outflows of resources related to OPEB resulting from District contributions to the OPEB plan made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2023.

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

Year ending August 31,	OPEB Expense Amount
2023	\$ (2,472,319)
2024	1,923,664
2025	633,065
2026	1,110,040
2027	1,707,077
Thereafter	-

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

20. AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business property located in Bexar County. General information follows for the years ended August 31, 2022 and 2021.

	2022 ⁽¹⁾	2021 ⁽²⁾
Assessed valuation of the District	\$ 217,287,405,486	\$ 205,232,649,808
Less : Exemptions	(23,533,952,987)	(21,647,671,167)
Tax increment financings	(307,281,396)	(267,265,808)
Net assessed valuation of the District	\$ 193,446,171,103	\$ 183,317,712,833

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2021 supplement 241)

(2) Based on most recent Supplement to the Certified Total (ARB Approved 2020 supplement 226)

The authorized and assessed property tax rates for the years ended August 31, 2022 and 2021 are as follows:

	2022			2021		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax rate per \$100 valuation (authorized)	\$ -	\$ -	\$ 0.25000000	\$ -	\$ -	\$ 0.25000000
Tax rate per \$100 valuation (assessed)	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000

Taxes levied for the years ended August 31, 2022 and 2021 were \$274,877,046 and \$254,322,861, respectively. State law automatically places a tax lien on all taxable property on January 1 of each year to secure payment. Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed, and are subject to penalties and interest.

The tax collection detail at August 31, 2022 and 2021 is as follows:

	2022			2021		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 195,864,363	\$ 75,230,362	\$ 271,094,725	\$ 186,537,288	\$ 71,645,463	\$ 258,182,751
Tax increment financings payment	(493,386)	-	(493,386)	(420,290)	-	(420,290)
Delinquent taxes collected	1,249,525	483,144	1,732,669	533,519	208,843	742,362
Penalties and interest	1,808,420	694,733	2,503,153	1,694,329	650,953	2,345,282
Total	\$ 198,428,921	\$ 76,408,239	\$ 274,837,160	\$ 188,344,846	\$ 72,505,259	\$ 260,850,105

Tax collections for the years ended August 31, 2022 and 2021 were 98.6% and 101.4%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

21. 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, 2022 or 2021.

22. OTHER OPERATING REVENUES

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

23. COMMITMENTS AND CONTINGENCIES

As of August 31, 2022, 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 contracts for construction, various renovation projects and for operations. At August 31, 2022 and 2021, the District was committed for approximately \$94,329,000 and \$153,899,000, respectively.

24. SUBSEQUENT EVENTS

As part of the FY 2023 Debt Management Plan, in May 2022, the Board of Trustees authorized \$270 million in new Maintenance Tax Notes for deferred maintenance on existing facilities. These bonds were issued in September of 2022 at a premium of \$23.9 million.

In December 2022, the District issued \$52 million Limited Tax Bonds 2022 as the third and final tranche of the 2017 \$450 million voter authorization. These funds will be used to complete the proposed capital improvement plan in the areas of new facilities, expansion of existing facilities and technology infrastructure. The bonds were issued at a premium of \$2.6 million.

25. ALAMO COLLEGES FOUNDATION, INC. – DISCRETE COMPONENT UNIT

The following footnotes (25A – 25O) are from the audited financial statements of the Alamo Colleges Foundation, Inc. (Foundation) for the years ended December 31, 2021 and 2020.

A – ORGANIZATION

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accordingly, net assets of the Foundation are classified and reported as follows:

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

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

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

Cash and cash equivalents

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

Investments

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions receivable

Contributions received are recorded as with donor restriction and without donor restriction depending on the existence and/or nature of any donor restrictions. Contributions receivable are amounts recorded for unconditional or conditional promises to give by third parties. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Conditional promises to give are recorded as refundable advances when received, and are recognized as revenues when the conditions have been met.

If contributions receivable become doubtful of collection, allowances are made to the extent the amounts are determined to be doubtful and are charged to expense. If doubtful amounts are subsequently determined to be uncollectible, they are written off against allowances in the period determined. Contributions are recorded when received in cash as with donor restriction and without donor restriction support, depending on the existence and/or nature of donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value. The Foundation considers contributions receivable to be fully collectible.

Fixed assets

The Foundation operates from facilities provided by the District and does not own any buildings, equipment or other capital assets. See Note J for an estimated amount of in-kind contributions provided by the District that includes an estimate of donated rent. Donated rents are reported in the financial statements as in-kind revenue under net assets without donor restrictions.

Presentation of expenses

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

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

Donated materials, services and facilities

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

Revenue recognition

The Foundation records contributions at fair value when an unconditional commitment is received from the donor. Contributions that are restricted by the donor and are to be used in future periods are reported as an increase in net assets with donor restrictions in the reporting period in which the contribution is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted in perpetuity by the donor are recorded as net assets with donor restrictions. In accordance with donor restrictions, income earned from net assets with donor restrictions are recorded as net assets with donor restrictions until such income is released from restrictions.

Concentrations

The Foundation maintains a portion of its cash balance in accounts which, at times, may exceed Federal Deposit Insurance Corporation (FDIC) limits. One account held by the Foundation was over the FDIC limit in the amount of \$697,382 and \$3,917,988, at December 31, 2021 and 2020, respectively.

At December 31, 2021, four donors made up 82% of contribution receivables. At December 31, 2020, one donor made up 74% of the contribution receivables.

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. Estimates that have the most impact on financial position and results of operations primarily relate to the collectability and present value of contributions receivable, the fair value of investments and the allocation of expenses among functional areas.

Risks and Uncertainties

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2022 operations and financial results. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation.

Pending Pronouncements

In February 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU requires a modified retrospective transition approach, which includes a number of optional practical expedients, described in ASU 2016-02, which may be applied. The ASU is effective for fiscal years beginning after December 15, 2021. The impact of the new standard has not been determined, however it is expected that there will not be an increase to the Foundation's assets and liabilities.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 intends to increase the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The ASU is effective for fiscal years beginning after June 15, 2021. The impact of the new standard is still being evaluated by the Foundation.

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

C – LIQUIDITY

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

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures as of December 31, 2021 and December 31, 2020 are as follows:

	2021	2020
Financial assets, at year end	\$ 77,782,031	\$ 60,099,443
Less those unavailable for general expenditure within one year due to:		
Endowments invested in perpetuity	(21,662,221)	(20,850,204)
Restricted by donor with time or purpose restrictions	<u>(54,720,038)</u>	<u>(38,891,758)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,399,772</u>	<u>\$ 357,481</u>

Included in restricted fund amounts are amounts that can be spent for scholarships and program support in fiscal year 2022. In addition, the Foundation also receives in-kind contributions from the Alamo Colleges District for personnel costs and donated office space, as described in Note J, which helps to offset costs for general expenditures.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

D – CONTRIBUTIONS RECEIVABLE

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

Total contributions receivable at December 31, 2021 and 2020 were as follows:

	2021	2020
Promises to give expected to be collected in:		
Less than one year	\$ 1,177,925	\$ 1,151,719
One to five years	1,300,000	1,718,333
	2,477,925	2,870,052
Less discount on promises to give	(12,353)	(5,763)
Less allowance for uncollectible accounts	(65,442)	(114,898)
Net contributions receivable	\$ 2,400,130	\$ 2,749,391

The discount rates used in discounting contributions receivable ranged between 0.39% and 0.97% as of December 31, 2021. The discount rates used in discounting contributions receivable ranged between .10% and .17% as of December 31, 2020.

The increases in contributions receivable and non-endowed net assets relate primarily to fundraising for the AlamoPROMISE program which makes college more accessible to graduating seniors by providing the support necessary to earn a certificate or associate's degree at one of the five Alamo Colleges: Northeast Lakeview College, Northwest Vista College, Palo Alto College, San Antonio College, and St. Philip's College.

E – INVESTMENTS

The composition of the Foundation's investments as of December 31, 2021 and 2020 is as follows:

	2021 Fair Value	2020 Fair Value
Fixed income securities	\$ 17,272,304	\$ 6,989,346
Mutual funds/exchange-traded funds	48,894,007	22,150,410
Marketable securities	7,035,863	3,409,788
Total	\$ 73,202,174	\$ 32,549,544

Net investment income for the years ended December 31, 2021 and 2020 is comprised of the following:

	2021	2020
Interest and dividend income	\$ 947,230	\$ 430,886
Net gain on investments	4,266,248	2,945,643
Total	\$ 5,213,478	\$ 3,376,529

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E – INVESTMENTS (continued)

The Foundation elects to net investment expenses with earnings from investments. Total investment expenses in 2021 and 2020 were \$192,201 and \$128,140, respectively.

The Foundation invests in various investment instruments which are exposed to various risks such as interest rate, market and credit risks. Subsequent to year end, there has been in a significant decline in investments due to market conditions.

F – FUNCTIONAL EXPENSES

The costs of providing the various programs and activities of the Foundation have been summarized on a functional basis in the accompanying statements of activities. Expenses are charged directly to program services or management and general based on time spent on the various activities with the exception of the salaries and benefits, professional services, and other. This expense is split between program and management and general based on allocation of the number of hours spent on each function.

Functional expenses categorized by program support and scholarships, general and administrative and fundraising costs for the year ended December 31, 2021 are as follows:

	Program Support and Scholarships	General and Administrative	Fundraising	Total
Year ended December 31, 2021:				
Scholarships and educational support	\$ 7,485,260	\$ -	\$ -	\$ 7,485,260
Salaries and benefits	208,508	532,505	351,276	1,092,289
Rent	9,186	18,078	15,475	42,739
Professional services	5,907	24,525	9,951	40,383
Software	8,603	16,933	14,494	40,030
Professional development, fees and subscriptions	1,501	2,954	2,528	6,983
Other	7,011	13,797	11,965	32,773
Total	<u>\$ 7,725,976</u>	<u>\$ 608,792</u>	<u>\$ 405,689</u>	<u>\$ 8,740,457</u>

Functional expenses categorized by program support and scholarships, general and administrative and fundraising costs for the year ended December 31, 2020 are as follows:

	Program Support and Scholarships	General and Administrative	Fundraising	Total
Year ended December 31, 2020:				
Scholarships and educational support	\$ 3,823,642	\$ -	\$ -	\$ 3,823,642
Salaries and benefits	277,655	525,996	235,134	1,038,785
Rent	11,157	20,057	11,525	42,739
Professional services	14,944	39,063	15,436	69,443
Software	13,814	24,831	14,268	52,913
Professional development, fees and subscriptions	1,400	2,518	1,447	5,365
Other	9,646	29,681	9,964	49,291
Total	<u>\$ 4,152,258</u>	<u>\$ 642,146</u>	<u>\$ 287,774</u>	<u>\$ 5,082,178</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

G – ENDOWMENT NET ASSETS

The Foundation’s endowment consists of 194 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

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

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

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

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

Endowment net assets and classifications of related unappropriated income at December 31, 2021 and 2020 are as follows:

	Net assets without Donor Restrictions	Non-endowed Funds	Accumulated Gains	Endowed Funds	Total
As of December 31, 2021					
Endowment funds	\$ 196,336	\$ 43,205,785	\$ 11,514,253	\$ 21,662,221	\$ 76,578,595
As of December 31, 2020					
Endowment funds	\$ 308,017	\$ 29,776,334	\$ 9,115,424	\$ 20,850,204	\$ 60,049,979

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

G – ENDOWMENT NET ASSETS (continued)

The changes in endowment net assets and related income classification for the year ended December 31, 2021 are as follows:

	Net assets without Donor Restrictions	Net Assets with Donor Restrictions			Total
		Non-endowed Funds	Accumulated Gains	Endowed Funds	
Beginning of year	\$ 308,017	\$ 29,776,334	\$ 9,115,424	\$ 20,850,204	\$ 60,049,979
Contributions	89,363	18,175,511	4,539	531,136	18,800,549
In-kind revenue	1,255,046	-	-	-	1,255,046
Investment return:					
Interest and dividends	490	356,925	589,815	-	947,230
Gain on investments	-	1,018,204	3,248,044	-	4,266,248
Net assets released from restrictions	<u>7,320,236</u>	<u>(6,541,064)</u>	<u>(779,172)</u>	-	-
Total revenues	8,665,135	13,009,576	3,063,226	531,136	25,269,073
Expenses and appropriation of endowment assets for expenditure	(8,740,457)	-	-	-	(8,740,457)
Deductions:					
Designated transfers	<u>(36,359)</u>	<u>419,875</u>	<u>(664,397)</u>	<u>280,881</u>	-
(Decrease) increase in net assets	<u>(111,681)</u>	<u>13,429,451</u>	<u>2,398,829</u>	<u>812,017</u>	<u>16,528,616</u>
End of year	<u>\$ 196,336</u>	<u>\$ 43,205,785</u>	<u>\$ 11,514,253</u>	<u>\$ 21,662,221</u>	<u>\$ 76,578,595</u>

The changes in endowment net assets and related income classification for the year ended December 31, 2020 are as follows:

	Net assets without Donor Restrictions	Net Assets with Donor Restrictions			Total
		Non-endowed Funds	Accumulated Gains	Endowed Funds	
Beginning of year	\$ 139,835	\$ 6,549,202	\$ 6,740,605	\$ 19,319,249	\$ 32,748,891
Contributions	68,856	26,434,239	37,237	1,220,207	27,760,539
In-kind revenue	1,196,180	-	-	-	1,196,180
Investment return:					
Interest and dividends	1,311	-	429,575	-	430,886
Gain on investments	-	-	2,945,643	-	2,945,643
Net assets released from restrictions	<u>3,957,995</u>	<u>(3,061,879)</u>	<u>(896,116)</u>	-	-
Total revenues	5,224,342	23,372,360	2,516,339	1,220,207	32,333,248
Expenses and appropriation of endowment assets for expenditure	(5,032,160)	-	-	-	(5,032,160)
Deductions:					
Designated transfers	<u>(24,000)</u>	<u>(145,228)</u>	<u>(141,520)</u>	<u>310,748</u>	-
Increase in net assets	<u>168,182</u>	<u>23,227,132</u>	<u>2,374,819</u>	<u>1,530,955</u>	<u>27,301,088</u>
End of year	<u>\$ 308,017</u>	<u>\$ 29,776,334</u>	<u>\$ 9,115,424</u>	<u>\$ 20,850,204</u>	<u>\$ 60,049,979</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

G – ENDOWMENT NET ASSETS (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Foundation to retain as a fund of perpetual duration, referred to as underwater endowments. As of December 31, 2021, and 2020, the Foundation did not have any such deficiencies.

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

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

Under the laws of the State of Texas, the Board of Directors may appropriate for expenditure, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Directors determines the amount of such appropriation annually. The rate for 2021 and 2020 was 4.50%. The rate for 2022 has been set at 4.9%.

H – NON-ENDOWED NET ASSETS

Net assets with donor restrictions (non-endowed funds) consist of amounts for the following programs at December 31:

	2021	2020
Academic Support	\$ 33,597,400	\$ 23,866,194
Scholarships	9,608,385	5,910,140
Net assets with donor restrictions (non-endowed funds)	<u>\$ 43,205,785</u>	<u>\$ 29,776,334</u>

Net assets with donor restrictions (non-endowed funds) released from restriction related to the following programs for the years ended December 31:

	2021	2020
Academic Support	\$ 5,044,714	\$ 1,841,322
Scholarships	1,496,350	1,220,557
Net assets with donor restrictions (non-endowed funds) released from restriction	<u>\$ 6,541,064</u>	<u>\$ 3,061,879</u>

I – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

I – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

The fair value hierarchy of investments at December 31, 2021 is as follows:

	2021			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 17,272,304	\$ -	\$ 17,272,304
Mutual funds / exchange-traded funds	48,894,007	-	-	48,894,007
Marketable securities	7,035,863	-	-	7,035,863
Total	\$ 55,929,870	\$ 17,272,304	\$ -	\$ 73,202,174

The fair value hierarchy of investments at December 31, 2020 is as follows:

	2020			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 6,989,346	\$ -	\$ 6,989,346
Mutual funds / exchange-traded funds	22,150,410	-	-	22,150,410
Marketable securities	3,409,788	-	-	3,409,788
Total	\$ 25,560,198	\$ 6,989,346	\$ -	\$ 32,549,544

J – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTIONS

By agreement, the Alamo Colleges District provides administrative support for Foundation activities at a level determined to be appropriate, but only to the extent of availability of funds within the District's budget. Administrative support provided includes office space and an Executive Director and staff for the Foundation. The total support provided by the District to the Foundation in the fiscal years ended December 31, 2021 and 2020 was valued at approximately \$1,255,046 and \$1,246,198, respectively, and is included in the financial statements as net assets without restrictions in-kind revenue.

From time to time the Foundation remits scholarship funds to the District to cover tuition, books, and other student fees for specified students. During the years ended December 31, 2021 and 2020, the Foundation remitted a total of \$1,811,755 and \$1,817,506 to the District to fund approximately 2,745 and 2,883 scholarships, respectively.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

J – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTIONS (continued)

In addition, for the years ended December 31, 2021 and 2020, the Foundation remitted \$4,269,913 and \$2,090,953 respectively, to the District for program related costs.

K – FUTURE COMMITMENTS

At December 31, 2021, there are no outstanding donor match commitments for the Alamo Colleges Foundation.

L – COMMITMENTS

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

M – RESTRICTED TITLE III AND TITLE V FUNDS

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

N – NET ASSETS WITHOUT RESTRICTIONS

Net assets without restrictions is comprised of net assets that are not subject to donor-imposed stipulations. The balances comprising net assets without restrictions as of December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions / undesignated	<u>\$ 196,336</u>	<u>\$ 308,017</u>

O – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 17, 2022, the date the financial statements were available to be issued and no changes were necessary to be made to the financial statements as a result of this evaluation.

26. ACCD PUBLIC FACILITY CORPORATION – DISCRETE COMPONENT UNIT

The following footnotes (26A – 26F) are from the audited financial statements of ACCD Public Facility Corporation (PFC) for the years ended August 31, 2022 and 2021.

A – REPORTING ENTITY

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

A – REPORTING ENTITY (continued)

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

The financial reporting of the PFC is defined by the Governmental Accounting Standards Board (GASB) to consist of the (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

On September 24, 2021, Tobin Lofts, LLC, of which the PFC is the sole member, sold its interest in the Tobin Lofts project located at 1415 N. Main Avenue, San Antonio, Texas to 1415 N. Main, formerly known as JWCM Credit Opportunities Fund I, L.P. The ground lease between Tobin Lofts, LLC and the PFC, as lessor, was terminated and the PFC entered into a new 75-year ground lease with the new ownership group per the Assignment and Assumption of Lease Agreement in the Purchase and Sale Agreement between Tobin Lofts, LLC and JWCM Credit Opportunities Fund I, L.P. As a result of the cancellation of the original ground lease with Tobin Lofts, LLC, there were no requirements to return any of the proceeds from the prepayment against the ground lease, and the non-return of funds was not considered an incentive for the new ownership group. The sale by the Tobin Lofts, LLC of its interest did not change the note payable between the PFC and Alamo Colleges District. The Tobin Lofts, LLC entity was terminated as of August 31, 2022. Remaining cash balances and capital assets of Tobin Lofts, LLC were transferred to the PFC upon dissolution.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Cash

Cash consists solely of demand deposits held at a bank fully insured by the Federal Deposit Insurance Corporation (FDIC). At August 31, 2022 and 2021, the PFC had \$0 in excess of the FDIC insurance limit.

Capital Assets

Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition, except for assets transferred within the same financial reporting entity which have been recorded at the carrying value of the transferor. Improvements which significantly add value or extend the useful life of a structure are capitalized if they meet the applicable capitalization threshold. Capital assets consist of land purchased from an unrelated party and from the PFC's primary government, the District; and land improvements, building and building improvements, furniture, fixtures and equipment, and construction in progress.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Class of Asset</u>	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Non-depreciable assets:		
Land	\$ 5,000	Not depreciated
Buildings	100,000	40
Other real estate improvements:		
Building improvements	100,000	10-20
Land improvements	100,000	7
Furniture, fixtures & equipment:	5,000	5

Net Position

Net position is the residual of assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The PFC maintains the following classifications of net position:

- Net Investment in Capital Assets – This category of net position represents capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.
- Restricted – This category of net position represents any net positions subject to the externally imposed conditions. The PFC has no externally restricted net position.
- Unrestricted – This category of net position represents any net position not recorded as Net Investment in Capital Assets or Restricted.

Operating and Non-operating Revenues

Operating revenues generally result from providing services in connection with the PFC's principal ongoing operations. The principal operating revenues are from lease payments. Non-operating revenues include interest income earned on cash deposits. For the year ended August 31, 2022, non-operating revenues also included other contributions, gain on the termination of a lease, and forgiveness of interest on debt.

Capital Contributions

For the year ended August 31, 2022, capital contributions consisted of contributed assets from the PFC's dissolved component unit, Tobin Lofts, LLC and assets transferred from the PFC's lessee, 1415 N. Main LLC.

Revenue Recognition and Unearned Revenues

Revenue is recorded when earned. Pre-paid lease payments formerly reported as unearned revenue were recognized in full during fiscal year 2022 as a result of the termination of the ground lease with Tobin Lofts, LLC as further described in Note A.

Operating and Non-operating Expenses

The PFC distinguishes operating expenses from non-operating expenses. Operating expenses consist of bank charges related to the operating cash account and depreciation on capital assets. Non-operating expenses consist of interest on capital-related debt, and for the year ended August 31, 2022 include an expense for assets transferred from Tobin Lofts, LLC that did not meet the capitalization threshold.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation.

C – CAPITAL ASSETS

Capital assets from Tobin Lofts, LLC meeting the applicable capitalization thresholds were transferred to the Public Facility Corporation on September 24, 2021. (See Note A.)

Capital assets activity for the year ended August 31, 2022 was as follows:

	Balance 9/1/2021	Increases	Decreases	Balance 8/31/2022
<u>Not Depreciated:</u>				
Land	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847
Construction in progress	-	1,400,013	-	1,400,013
Subtotal	5,099,847	1,400,013	-	6,499,860
 <u>Subject to Depreciation:</u>				
Land improvements	-	2,480,904	-	2,480,904
Building	-	25,639,287	-	25,639,287
Building improvements	-	538,040	-	538,040
Furniture, fixtures & equipment	-	1,783,205	-	1,783,205
Total subject to depreciation	-	30,441,436	-	30,441,436
Total capital assets	5,099,847	31,841,449	-	36,941,296
 <u>Accumulated Depreciation:</u>				
Land improvements	-	1,984,723	-	1,984,723
Building	-	5,125,198	-	5,125,198
Building improvements	-	191,748	-	191,748
Furniture, fixtures & equipment	-	1,758,996	-	1,758,996
Total accumulated depreciation	-	9,060,665	-	9,060,665
Net capital assets	\$ 5,099,847	\$ 22,780,784	\$ -	\$ 27,880,631

Increases to capital assets of \$31,841,449 include \$30,441,436 of capital assets transferred to the PFC as a result of the dissolution of Tobin Lofts, LLC. Increases to accumulated depreciation of \$9,060,665 include \$8,104,446 of accumulated depreciation related to assets transferred to the PFC as a result of the dissolution of Tobin Lofts, LLC. The remaining increase to accumulated depreciation of \$956,219 represents current year depreciation expense.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

C – CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2021 was as follows:

	Balance 9/1/2020	Increases	Decreases	Balance 8/31/2021
<u>Not Depreciated:</u>				
Land	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847
Subtotal	5,099,847	-	-	5,099,847
 Net capital assets	 \$ 5,099,847	 \$ -	 \$ -	 \$ 5,099,847

D – NONCURRENT LIABILITIES

Noncurrent liabilities consist of a note payable and related interest to the District for the purchase of land.

The principal amount of the note is \$2 million, with a maturity date of August 1, 2042. The original interest rate was four percent (4%) per annum. There are no required annual payments on the note payable. On September 24, 2021 the note payable was modified to change the interest rate on the note beginning at inception through September 24, 2021 to the 10-year U.S. Treasury rate over that period, and the interest rate from that date to maturity is zero percent. This changed the interest payable on September 24, 2021 from \$732,000 to \$377,860. On September 24, 2021 a payment was made to fully pay the interest of \$377,860, and to pay \$637,140 of the principal. Accrued interest on the note is \$0 and \$726,667 at August 31, 2022 and 2021, respectively, payable at maturity.

As of August 31, 2022, noncurrent liabilities are \$1,362,860 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/1/21	Additions	Reductions	Balance 8/31/22	Current Portion
Note payable to District	\$ 2,000,000	\$ -	\$ 637,140	\$ 1,362,860	\$ -
Interest payable	726,667	383,193	1,109,860	-	-
Total liabilities	\$ 2,726,667	\$ 383,193	\$ 1,747,000	\$ 1,362,860	\$ -

As of August 31, 2021, noncurrent liabilities are \$2,726,667 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/1/20	Additions	Reductions	Balance 8/31/21	Current Portion
Note payable to District	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -
Interest payable	646,667	80,000	-	726,667	-
Total liabilities	\$ 2,646,667	\$ 80,000	\$ -	\$ 2,726,667	\$ -

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E – INCOME TAXES

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

F – RELATED PARTIES

In July of 2012, Tobin Lofts, LLC (LLC) was created to carry out the purposes of its initial sole member, ACCD Public Facility Corporation, which includes providing housing for college students and employees of the Alamo Colleges District. The LLC leased land from the PFC under a 75-year ground lease, and operated residential housing and retail facilities on the land. In August 2012, the LLC prepaid its ground lease in the amount of \$1.8 million and the PFC recognized lease revenue on a monthly basis over the life of the lease. On September 24, 2021, the LLC assigned its rights to an unrelated party, and the PFC subsequently recognized \$1,582,000 for the lease termination for the year ended August 31, 2022. The PFC recognized \$24,000 in revenue for the year ended August 31, 2021. See Note A for additional information.



Required Supplementary Information



ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal year ended August 31*,	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of collective net pension liability (%)	0.1491190618%	0.1466583601%	0.1465692386%	0.1513076223%	0.1709877316%	0.1591812086%	0.162917000%	0.181406100%
District's proportionate share of collective net pension liability (\$)	\$ 37,975,348	\$ 78,547,226	\$ 76,191,272	\$ 83,283,387	\$ 54,672,665	\$ 60,152,212	\$ 57,588,991	\$ 48,456,078
State's proportionate share of net pension liability associated with District	32,006,223	66,451,167	62,672,785	67,075,692	31,367,944	34,396,610	31,874,468	25,023,180
Total	69,981,571	144,998,393	138,864,057	150,359,079	86,040,609	94,548,822	89,463,459	73,479,258
District's covered payroll	\$ 156,470,787	\$ 149,218,481	\$ 139,439,475	\$ 135,309,910	\$ 128,722,459	\$ 116,013,872	\$ 109,267,415	\$ 101,833,288
District's proportionate share of collective net pension liability as a percentage of covered payroll	24.27%	52.64%	54.64%	61.55%	42.47%	51.85%	52.70%	47.58%
TRS fiduciary net position as percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule of District Contributions for Pensions Last Eight Fiscal Years**

Fiscal year ended August 31*,	2022	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	\$ 7,015,286	\$ 6,363,260	\$ 6,051,648	\$ 5,128,423	\$ 5,091,852	\$ 5,603,980	\$ 5,057,590	\$ 4,824,042
Actual contributions	7,015,286	6,363,260	6,051,648	5,128,423	5,091,852	5,603,980	5,057,590	4,824,042
Contributions deficiency (excess)	-	-	-	-	-	-	-	-
District's covered payroll	\$ 165,846,480	\$ 156,470,787	\$ 149,218,481	\$ 139,439,475	\$ 135,309,910	\$ 128,722,459	\$ 116,013,872	\$ 109,267,415
Contributions as a percentage of covered payroll	4.23%	4.07%	4.06%	3.68%	3.76%	4.35%	4.36%	4.41%

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Required Supplementary Information Net Pension Liability For Year Ended August 31, 2022

Changes since Prior Actuarial Valuation

There were no changes to the actuarial assumptions and methods used since the prior actuarial valuation.

Factors that Significantly Affect Trends in Pension RSI Schedules

2022: None

2021: Changes of assumptions: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

2020: Changes of assumptions: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

2018: Changes of assumptions: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ended August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule of District's Proportionate Share of Net OPEB Liability Last 5 Fiscal Years**

Fiscal year ended August 31*,	2022	2021	2020	2019	2018
District's proportionate share of collective net OPEB liability (%)	0.57490306%	0.55109854%	0.54897548%	0.54929788%	0.46476038%
District's proportionate share of collective net OPEB liability (\$)	\$ 206,249,390	\$ 182,108,484	\$ 189,740,609	\$ 162,799,490	\$ 158,357,860
State's proportionate share of net OPEB liability associated with District	171,379,645	157,821,125	163,945,598	138,602,473	138,445,196
Total	377,629,035	339,929,609	353,686,207	301,401,963	296,803,056
District's covered employee payroll	\$ 172,319,143	\$ 167,098,184	\$ 156,063,712	\$ 154,055,166	\$ 150,672,061
District's proportionate share of collective net OPEB liability as a percentage of covered employee payroll	119.69%	108.98%	121.58%	105.68%	105.10%
ERS fiduciary net position as percentage of the total OPEB liability	0.38%	0.32%	0.17%	2.04%	2.04%

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule of District Contributions for OPEB Last 5 Fiscal Years**

Fiscal year ended August 31*,	2022	2021	2020	2019	2018
Legally required contributions	\$ 5,124,159	\$ 4,847,826	\$ 4,771,778	\$ 4,629,201	\$ 4,465,565
Actual contributions***	5,124,159	4,847,826	4,771,778	4,629,201	4,465,565
Contributions deficiency (excess)	-	-	-	-	-
District's covered employee payroll	\$ 185,032,712	\$ 172,319,143	\$ 167,098,184	\$ 156,063,712	\$ 154,055,166
Contributions as a percentage of covered employee payroll	2.77%	2.81%	2.86%	2.97%	2.90%

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

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

***Due to a change in accounting principle implemented by ERS in FY19, District employer contributions transferred into the SRHP plan for postemployment benefits were \$2,946,159, as reported in Footnote 18. For additional information, see Notes to RSI - Net OPEB Liability.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Required Supplementary Information Net OPEB Liability For the Year Ended August 31, 2022

Changes since Prior Actuarial Valuation

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

- The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.
- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations.
- The annual rate of increase in the Patient-Centered Outcomes Research Institute (PCORI) fee payable under the Affordable Health Care Act (ACA) has been updated to reflect recent health plan experience and its effects on short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Changes to Benefit Terms

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

Supplementary Information



ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2022
With Memorandum Totals for the Year Ended August 31, 2021**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY22 Total	(Restated) FY21 *** Total
OPERATING REVENUES:						
Tuition						
State-funded courses						
In-District resident tuition	\$ 76,203,302	\$ -	\$ 76,203,302	\$ -	\$ 76,203,302	\$ 81,660,051
Out-of-District resident tuition	26,465,101	-	26,465,101	-	26,465,101	26,523,323
Non-resident tuition	11,860,512	-	11,860,512	-	11,860,512	10,728,981
TPEG - credit set aside*	5,962,399	-	5,962,399	-	5,962,399	6,057,037
State-funded continuing education	2,104,002	-	2,104,002	-	2,104,002	972,989
TPEG - Non-credit set aside*	134,297	-	134,297	-	134,297	62,106
Non-State-funded continuing education	3,596,662	-	3,596,662	-	3,596,662	2,716,944
Total tuition	126,326,275	-	126,326,275	-	126,326,275	128,721,431
Fees						
Student activity fees	2,251,505	-	2,251,505	-	2,251,505	2,374,496
Processing fees	861,600	-	861,600	-	861,600	733,400
Testing fees	108,665	-	108,665	-	108,665	249,268
Continuing Ed special fees	-	-	-	-	-	104,483
Other fees	234,138	-	234,138	-	234,138	255,177
Total fees	3,455,908	-	3,455,908	-	3,455,908	3,716,824
Total tuition and fees	129,782,183	-	129,782,183	-	129,782,183	132,438,255
Allowances and discounts						
Institutional allowances and scholarships	(5,807,668)	-	(5,807,668)	-	(5,807,668)	(9,180,085)
Remissions and exemptions - state	(4,374,049)	-	(4,374,049)	-	(4,374,049)	(4,764,234)
Remissions and exemptions - local - dual credit	(25,438,215)	-	(25,438,215)	-	(25,438,215)	(26,198,107)
Federal grants to students	-	(36,598,316)	(36,598,316)	-	(36,598,316)	(34,305,803)
TPEG awards	-	(3,159,774)	(3,159,774)	-	(3,159,774)	(2,106,180)
State grants to students	-	(3,004,447)	(3,004,447)	-	(3,004,447)	(1,683,553)
Other local awards	-	(2,960,529)	(2,960,529)	-	(2,960,529)	(4,470,545)
Total allowances and discounts	(35,619,932)	(45,723,066)	(81,342,998)	-	(81,342,998)	(82,708,507)
Total net tuition and fees	94,162,251	(45,723,066)	48,439,185	-	48,439,185	49,729,748
Other operating revenues						
Federal grants and contracts	10,601,168	11,640,340	22,241,508	-	22,241,508	28,454,909
State grants and contracts	-	2,369,756	2,369,756	-	2,369,756	905,002
Local grants and contracts	766,379	8,712,091	9,478,470	-	9,478,470	5,504,441
Non-governmental grants and contracts	45,042	1,379,212	1,424,254	-	1,424,254	1,054,201
Other operating revenues	6,292,724	(222,886)	6,069,838	-	6,069,838	5,519,108
Total other operating revenues	17,705,313	23,878,513	41,583,826	-	41,583,826	41,437,661
Sales and services of auxiliary enterprises						
Bookstore commission**	-	-	-	117,646	117,646	(141,816)
Palo Alto College natatorium	-	-	-	37,068	37,068	150,341
Day care centers	-	-	-	434,166	434,166	37,698
Vending machines and copiers	-	-	-	138,550	138,550	14,792
Campus access fees and fines	-	-	-	1,890,355	1,890,355	1,926,167
Auxiliary-restricted	-	-	-	(121,102)	(121,102)	49,000
Other	-	-	-	260,687	260,687	75,863
Total sales and services of auxiliary enterprises	-	-	-	2,757,370	2,757,370	2,112,045
Total operating revenues	\$ 111,867,564	\$ (21,844,553)	\$ 90,023,011	\$ 2,757,370	\$ 92,780,381	\$ 93,279,454
				(Exhibit 2)		(Exhibit 2)

*In accordance with Education Code 56.033, \$6,096,696 and \$6,119,143 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2022 and 2021, respectively.

**The bookstores are operated by an independent third-party.

***Due to the effects of a reclassification certain FY21 balances have been restated.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2022
With Memorandum Totals for the Year Ended August 31, 2021**

	Salaries and Wages	Benefits		Other Expenses	FY22 Total	(Restated)
		State	Local			FY21*
						Total
OPERATING EXPENSES:						
Unrestricted - educational activities						
Instruction	\$ 96,032,053	\$ -	\$ 16,561,715	\$ 11,908,079	\$ 124,501,847	\$ 127,046,699
Public service	898,247	-	173,673	414,650	1,486,570	1,330,909
Academic support	14,831,665	-	2,875,169	5,428,241	23,135,076	23,230,629
Student services	33,413,235	-	6,915,994	10,702,298	51,031,527	50,516,947
Institutional support	48,520,309	-	8,301,027	24,882,526	81,703,861	73,128,790
Operation and maintenance of plant	6,034,294	-	1,596,963	31,573,211	39,204,468	35,093,064
Scholarships and fellowships	-	-	-	1,823,512	1,823,512	382,161
Total unrestricted educational activities	199,729,803	-	36,424,541	86,732,517	322,886,861	310,729,199
Restricted - educational activities						
Instruction	1,922,453	3,808,298	480,249	1,945,876	8,156,876	13,204,421
Public service	34,041	39,506	5,512	35,236	114,295	96,288
Academic support	2,009,525	789,374	452,214	1,216,406	4,467,519	4,921,042
Student services	5,043,205	1,708,347	608,185	1,315,649	8,675,386	7,762,689
Institutional support	7,422,677	2,291,684	1,585,575	25,850,362	37,150,297	27,942,561
Operation and maintenance of plant	181,148	329,668	34,485	8,239,563	8,784,864	11,027,427
Scholarships and fellowships	-	-	-	105,773,557	105,773,557	73,022,551
Total restricted educational activities	16,613,049	8,966,877	3,166,220	144,376,649	173,122,794	137,976,979
Total educational activities	216,342,852	8,966,877	39,590,761	231,109,166	496,009,655	448,706,178
Auxiliary enterprises - unrestricted	531,003	-	117,076	387,316	1,035,395	1,165,350
Auxiliary enterprises - restricted	33,478	39,443	17,044	79,306	169,271	180,911
Depreciation expense - buildings	-	-	-	32,202,596	32,202,596	31,006,262
Depreciation expense - equipment	-	-	-	4,019,906	4,019,906	3,407,758
Total operating expenses	\$ 216,907,333	\$ 9,006,320	\$ 39,724,881	\$ 267,798,290	\$ 533,436,823	\$ 484,466,459
					(Exhibit 2)	(Exhibit 2)

* Due to the effects of a reclassification certain FY21 balances have been restated.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2022
With Memorandum Totals for the Year Ended August 31, 2021**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY22 Total	FY21 Total
NON-OPERATING REVENUES:						
State appropriations						
Education and general state support	\$ 63,938,377	\$ -	\$ 63,938,377	\$ -	\$ 63,938,377	\$ 62,810,640
State group insurance	-	7,977,064	7,977,064	-	7,977,064	8,260,565
State retirement match	-	1,029,256	1,029,256	-	1,029,256	8,936,943
Ad valorem taxes						
Taxes for maintenance and operations	198,786,795	-	198,786,795	-	198,786,795	188,598,432
Taxes for maintenance and operations-MTN	24,140,547	-	24,140,547	-	24,140,547	40,309,557
Taxes for debt service	-	52,405,149	52,405,149	-	52,405,149	32,293,103
Federal revenue, non-operating	-	189,360,434	189,360,434	-	189,360,434	133,437,673
State revenue, non-operating	-	4,778,583	4,778,583	-	4,778,583	3,866,594
Gifts	724,390	2,562,556	3,286,946	-	3,286,946	315,739
Investment (loss) income	(4,469,575)	221,536	(4,248,039)	-	(4,248,039)	663,147
Total non-operating revenues	<u>283,120,534</u>	<u>258,334,578</u>	<u>541,455,112</u>	<u>-</u>	<u>541,455,112</u>	<u>479,492,393</u>
NON-OPERATING EXPENSES:						
Interest on capital-related debt	-	(19,219,947)	(19,219,947)	-	(19,219,947)	(16,519,474)
Interest on capital-related debt-MTN	(1,790,547)	-	(1,790,547)	-	(1,790,547)	(3,749,557)
Gain (loss) on disposal of capital assets	39,706	(39,518)	188	-	188	2,328,433
Other non-operating expenses	-	27,644	27,644	-	27,644	(1,572,400)
Total non-operating expenses	<u>(1,750,841)</u>	<u>(19,231,821)</u>	<u>(20,982,662)</u>	<u>-</u>	<u>(20,982,662)</u>	<u>(19,512,998)</u>
Net non-operating revenues	<u>\$ 281,369,693</u>	<u>\$ 239,102,757</u>	<u>\$ 520,472,450</u>	<u>\$ -</u>	<u>\$ 520,472,450</u>	<u>\$ 459,979,395</u>
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2022
With Memorandum Totals for the Year Ended August 31, 2021**

	Detail by Source					Available for Current Operations	
	Restricted			Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
	Unrestricted	Expendable	Non-Expendable				
Current:							
Unrestricted	\$ (151,017,134)	\$ -	\$ -	\$ -	\$ (151,017,134)	\$ -	\$ (151,017,134)
Board-designated	3,074,944	-	-	-	3,074,944	-	3,074,944
Restricted	-	11,026,229	-	-	11,026,229	-	11,026,229
Auxiliary enterprises	5,547,271	-	-	-	5,547,271	-	5,547,271
Loan	203,398	-	-	-	203,398	203,398	-
Plant:							
Unexpended	19,059,222	22,663,508	-	-	41,722,730	19,059,222	22,663,508
Renewals	36,837,924	1,329,974	-	-	38,167,898	36,837,924	1,329,974
Debt service	-	17,272,910	-	-	17,272,910	-	17,272,910
Net investment in capital assets	-	-	-	423,581,645	423,581,645	-	423,581,645
Total net position, August 31, 2022	(86,294,375)	52,292,621	-	423,581,645	389,579,891 (Exhibit 1)	56,100,544	333,479,347
Total net position, August 31, 2021, as restated (Note 2)	(113,267,715)	46,229,716	-	372,564,502	305,526,503 (Exhibit 1)	17,719,294	287,807,209
Net increase in net position	\$ 26,973,340	\$ 6,062,905	\$ -	\$ 51,017,143	\$ 84,053,388 (Exhibit 2)	\$ 38,381,250	\$ 45,672,138

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	ALN	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF EDUCATION					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 3,867,788	\$ -	\$ 3,867,788	\$ - *
Federal Work-Study Program	84.033	2,715,578	-	2,715,578	- *
Federal Pell Grant Program	84.063	79,890,341	-	79,890,341	- *
Federal Direct Student Loans	84.268	13,950,284	-	13,950,284	- *
Total Student Financial Assistance Cluster		100,423,991	-	100,423,991	-
TRIO Cluster					
TRIO Student Support Services	84.042	681,023	-	681,023	-
TRIO Talent Search	84.044	269,467	-	269,467	-
TRIO Upward Bound	84.047	1,582,806	-	1,582,806	-
TRIO Educational Opportunity Centers	84.066	73,594	-	73,594	-
Total TRIO Cluster		2,606,890	-	2,606,890	-
Adult Education - Basic Grants to States					
Texas Workforce Commission	84.002	-	-	-	-
2022AEL002		-	2,775	2,775	-
Education Service Center Region 20		-	-	-	-
N/A		-	563,231	563,231	-
Total	84.002	-	566,006	566,006	-
Higher Education Institutional Aid					
University of Texas at San Antonio	84.031	12,080,479	-	12,080,479	226,955
1000002502		-	163,998	163,998	-
Total	84.031	12,080,479	163,998	12,244,477	226,955
Career and Technical Education -- Basic Grants to States					
Texas Higher Education Coordinating Board	84.048	-	-	-	-
224212		-	2,310,843	2,310,843	-
Total	84.048	-	2,310,843	2,310,843	-
Education Research, Development and Dissemination					
University of Virginia	84.305	-	-	-	-
Texas Higher Education Foundation		-	3,032	3,032	-
GM10155_150692		-	-	-	-
Total	84.305	-	3,032	3,032	-
Child Care Access Means Parents in Schools					
	84.335	389,284	-	389,284	-
COVID-19-Education Stabilization Fund Governor's Emergency					
Education Relief (GEER) Fund	84.425 C				
Texas Higher Education Coordinating Board					
24621		-	1,865	1,865	- *
26549		-	96,250	96,250	- *
24096		-	18,500	18,500	- *
25642		-	74,840	74,840	- *
25543		-	25,000	25,000	- *
25869		-	113,713	113,713	- *
26155		-	243,711	243,711	- *
Total	84.425 C	-	573,879	573,879	-
COVID-19-Education Stabilization Fund - HEERF Student Aid Portion	84.425 E	41,110,286	-	41,110,286	- *
COVID-19-Education Stabilization Fund - HEERF Institutional Portion	84.425 F	36,681,802	-	36,681,802	- *
COVID-19-Education Stabilization Fund - HEERF Historically Black Colleges and Universities (HBCUs)	84.425 J	22,579,705	-	22,579,705	- *
COVID-19-Education Stabilization Fund - HEERF Minority Serving Institutions (MSIs)	84.425 L	2,430,095	-	2,430,095	- *
COVID-19-Education Stabilization Fund - HEERF Supplemental Assistance to Institutional of Higher Education (SAIHE) Program	84.425 S	81,119	-	81,119	- *
Total	84.425	102,883,007	573,879	103,456,886	-
TOTAL U.S. DEPARTMENT OF EDUCATION		218,383,651	3,617,758	222,001,409	226,955

*Major program

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2022**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	ALN	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF AGRICULTURE					
Child and Adult Care Food Program Texas Department of Agriculture 75N8022	10.558	\$ -	\$ -	\$ -	\$ -
		-	7,130	7,130	-
Total	10.558	-	7,130	7,130	-
Soil and Water Conservation	10.902	3,282	-	3,282	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE		3,282	7,130	10,412	-
U.S. DEPARTMENT OF COMMERCE					
Economic Development Cluster					
Investments for Public Works and Economic Development Facilities	11.300	410,786	-	410,786	-
Total Economic Development Cluster and ALN	11.300	410,786	-	410,786	-
TOTAL U.S. DEPARTMENT OF COMMERCE		410,786	-	410,786	-
U.S. DEPARTMENT OF DEFENSE					
Centers for Academic Excellence					
University of Texas at San Antonio HHM402-18-1-0004UTSA1000002528	12.598	-	-	-	-
		-	2,310	2,310	-
Total	12.598	-	2,310	2,310	-
Information Security Grants					
University Enterprises Corporation at CSUSB H982309-20-1-0292 SUB SA013	12.902	-	-	-	-
		-	172,514	172,514	-
Total	12.902	-	172,514	172,514	-
GenCyber Grants Program	12.903	66,307	-	66,307	-
CyberSecurity Core Curriculum					
Dakota State University H982302010414 SUB 266-840272	12.905	-	-	-	-
University of West Florida PR H98230-20-1-0350 SUB 21050		-	95,794	95,794	-
		-	120,032	120,032	-
Total	12.905	-	215,826	215,826	-
TOTAL U.S. DEPARTMENT OF DEFENSE		66,307	390,650	456,957	-
U.S. DEPARTMENT OF JUSTICE					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus					
	16.525	85,145	-	85,145	-
TOTAL U.S. DEPARTMENT OF JUSTICE		85,145	-	85,145	-
U.S. DEPARTMENT OF LABOR					
WIOA Cluster					
WIOA Dislocated Worker Formula Grants Texas Workforce Commission 2022ATP001	17.278	-	-	-	-
		-	22,459	22,459	-
Total	17.278	-	22,459	22,459	-
Total WIOA Cluster		-	22,459	22,459	-
H-1B Job Training Grants San Jacinto Community College District DOL53179001	17.268	253,439	-	253,439	-
		-	156,121	156,121	-
Total	17.268	253,439	156,121	409,560	-
Apprenticeship USA Grants	17.285	559,971	-	559,971	-
TOTAL U.S. DEPARTMENT OF LABOR		813,410	178,580	991,990	-
U.S. DEPARTMENT OF TRANSPORTATION					
Commercial Motor Vehicle Operator Safety Training Grants					
	20.235	25,000	-	25,000	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		25,000	-	25,000	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Office of Stem Engagement (OSTEM)					
University of Texas at San Antonio 1000003149	43.008	753	-	753	-
		-	30,508	30,508	-
Total	43.008	753	30,508	31,261	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		753	30,508	31,261	-

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2022**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	ALN	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
NATIONAL ENDOWMENT FOR THE HUMANITIES					
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162	\$ 33,959	\$ -	\$ 33,959	\$ -
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES		33,959	-	33,959	-
NATIONAL SCIENCE FOUNDATION					
Research & Development Cluster					
Education and Human Resources	47.076	725,668	-	725,668	-
Arizona State University ASUB00000918		-	9,023	9,023	-
St. Mary's University 121185		-	90,496	90,496	-
Total Research & Development Cluster and ALN	47.076	725,668	99,519	825,187	-
TOTAL NATIONAL SCIENCE FOUNDATION		725,668	99,519	825,187	-
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	-	-	-	-
Texas Workforce Commission 2021SMP001		-	48,971	48,971	-
Total TANF Cluster and ALN	93.558	-	48,971	48,971	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	-	-	-	-
Healthy Futures of Texas HFTX PRIME AWRD 90AK0050-05-00		-	47,610	47,610	-
Total	93.092	-	47,610	47,610	-
Health Profession Opportunity Grants	93.093	307,008	-	307,008	78,130
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	-	-	-
University of Texas at Austin UTA17-000808		-	9,694	9,694	-
Total	93.243	-	9,694	9,694	-
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93.318	-	-	-	-
American College Health Association N/A		-	2,959	2,959	-
Total	93.318	-	2,959	2,959	-
Child Care and Development Fund Cluster					
Child Care and Development Block Grant	93.575	-	-	-	-
Workforce Solutions Alamo N/A		-	2,835	2,835	-
Total Child Care and Development Fund Cluster and ALN	93.575	-	2,835	2,835	-
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES		307,008	112,069	419,077	78,130
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps	94.006	-	-	-	-
Public Allies Inc		-	-	-	-
OP021-94.006-20-PASA		-	32,735	32,735	-
OP021-94.006-21-PASA		-	51,411	51,411	-
OP021-94.006-22-PACF		-	128,518	128,518	-
Total	94.006	-	212,664	212,664	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		-	212,664	212,664	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
Emergency Food and Shelter National Board Program	97.024	44,658	-	44,658	-
COVID 19 Emergency Food and Shelter National Board Program		3,721	-	3,721	-
Total	97.024	48,379	-	48,379	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		48,379	-	48,379	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 220,903,348	\$ 4,648,878	\$ 225,552,226	\$ 305,085

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

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E Notes to Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2022

1. FEDERAL ASSISTANCE RECONCILIATION

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 22,241,508
Add: Non-Operating Revenues - federal revenue, non-operating - per Schedule C	<u>189,360,434</u>
Total Federal Revenues per Schedule A and C	211,601,942
Reconciling Items:	
Add: Federal Direct Student Loans	13,950,284
Less: Federal contracts (Note 3 below)	<u>-</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 225,552,226</u></u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

3. EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT

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

4. FEDERAL DIRECT STUDENT LOAN PROGRAM

The District participates in the Federal Direct Student Loans program (ALN 84.268). Loans under the Federal Direct Student Loans program are made directly by the federal government to students. Loans disbursed during the fiscal year ended August 31, 2022 totaled \$13,950,284 and are presented as current year federal expenditures.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Notes to Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2022

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

U.S. Department of Education	
Passed through Higher Education Institutional Aid	
(ALN 84.031) to:	
University of Texas at San Antonio	<u>\$ 226,955</u>
Total	226,955
U.S. Department of Health & Human Services	
Passed through Health Profession Opportunity Grants	
(ALN 93.093) to:	
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo	41,744
Family Service Association of San Antonio, Inc.	1,816
Goodwill Industries of San Antonio	11,193
Project Quest, Inc.	14,170
Prospera Housing	2,191
San Antonio Housing Authority	<u>7,016</u>
Total	78,130
Total Amounts Passed-Through	<u><u>\$ 305,085</u></u>

6. NONCASH AWARDS

There were no federal noncash awards in fiscal year 2022 other than Federal Direct Student Loans discussed in Note 4 above.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022**

State Grantor/Pass-Through Grantor/Program Title	Grantor's Award Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS					
City of San Antonio					
HHSP Street Outreach and Services	460000	\$ -	\$ 95,956	\$ 95,956	\$ -
TOTAL TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS		-	95,956	95,956	-
TEXAS HIGHER EDUCATION COORDINATING BOARD					
Comprehensive College Readiness and Success Model for 60x30TX	20521	32,639	-	32,639	-
Comprehensive College Readiness and Success Model for 60x30TX	23107	11,813	-	11,813	-
Total Comprehensive College Readiness and Success Model for 60x30TX		44,452	-	44,452	-
Educational Aide Exemption		8,843	-	8,843	-
Nursing & Allied Health-Supporting Clinical Learning to Mitigate Impediments due to COVID-19	23782	73,495	-	73,495	-
Nursing & Allied Health-Supporting Clinical Learning to Mitigate Impediments due to COVID-19	23839	51,783	-	51,783	-
Total Nursing & Allied Health-Supporting Clinical Learning to Mitigate Impediments due to COVID-19		125,278	-	125,278	-
Nursing Shortage Reduction Program - Under 70		105,786	-	105,786	-
Nursing Shortage Reduction Program - Under 70		2,020	-	2,020	-
Nursing Shortage Reduction Program - Under 70		616	-	616	-
Total Nursing Shortage Reduction Program - Under 70		108,422	-	108,422	-
Texas College Work Study		177,959	-	177,959	-
Texas Educational Opportunity Grant Initial		2,613,335	-	2,613,335	- *
Texas Educational Opportunity Grant Renewal		1,978,446	-	1,978,446	- *
Total Texas Educational Opportunity Grant		4,591,781	-	4,591,781	-
2021 College Readiness and Completion Models	25278	39,986	-	39,986	-
2021 College Readiness and Completion Models	25283	14,605	-	14,605	-
Total College Readiness and Completion Models		54,591	-	54,591	-
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		5,111,326	-	5,111,326	-
TEXAS WORKFORCE COMMISSION					
Education Service Center Region 20					
Adult Education - Basic Grants to States	N/A	-	72,345	72,345	-
Apprenticeship Training Program	2022ATP001	80,538	-	80,538	-
Childcare Relief Fund		57,378	-	57,378	-
Jobs and Education for Texans	2020JET001	256,863	-	256,863	-
Skills Development Fund	2021SDF002	967,557	-	967,557	-
Skills for Small Business	2020SSD001	2,358	-	2,358	-
Skills for Small Business	2022SSD001	23,696	-	23,696	-
Total Skills for Small Business		26,054	-	26,054	-
TOTAL TEXAS WORKFORCE COMMISSION		1,388,390	72,345	1,460,735	-
THE UNIVERSITY OF TEXAS AT SAN ANTONIO					
Bexar County Fostering Educational Success Pilot Project	N/A	480,322	-	480,322	-
TOTAL THE UNIVERSITY OF TEXAS AT SAN ANTONIO		480,322	-	480,322	-
TOTAL EXPENDITURES OF STATE AWARDS		\$ 6,980,038	\$ 168,301	\$ 7,148,339	\$ -

*Major program

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

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Notes to Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022**

1. STATE ASSISTANCE RECONCILIATION

Other Operating Revenues - state grants and contracts - per Schedule A	\$ 2,369,756
Add: Non-Operating Revenues - state revenue, non-operating - per Schedule C	<u>4,778,583</u>
Total State Revenues per Schedule A and C	7,148,339
Reconciling Items:	
Less: State contracts (Note 3 below)	<u>-</u>
Total State Expenditures per Schedule of Expenditures of State Awards	<u>\$ 7,148,339</u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

3. EXPENDITURES NOT SUBJECT TO STATE SINGLE AUDIT

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

4. AMOUNTS PASSED THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT

There were no state amounts passed through by the District in fiscal year 2022.

5. NONCASH AWARDS

There were no state noncash awards received by the District in fiscal year 2022.



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

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Revenues by Location
For the Year Ended August 31, 2022
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
OPERATING REVENUES:							
Tuition							
State-funded courses							
In-District resident tuition	\$ -	\$ 24,174,583	\$ 14,074,198	\$ 11,172,893	\$ 21,011,568	\$ 5,770,060	\$ 76,203,302
Out-of-District resident tuition	-	6,112,454	7,116,235	3,910,239	3,831,516	5,494,657	26,465,101
Non-resident tuition	-	2,701,646	2,102,484	2,795,359	2,875,697	1,385,326	11,860,512
TPEG - credit set aside	-	1,889,063	1,067,602	830,287	1,524,545	650,902	5,962,399
State-funded continuing education	2,023,261	-	80,741	-	-	-	2,104,002
TPEG - non-credit set aside	134,297	-	-	-	-	-	134,297
Non-State-funded continuing education	3,338,610	-	219,772	38,280	-	-	3,596,662
Total tuition	5,496,168	34,877,746	24,661,032	18,747,058	29,243,326	13,300,945	126,326,275
Fees							
Student activity fees	-	730,044	388,677	306,087	602,261	224,436	2,251,505
Processing fees	861,600	-	-	-	-	-	861,600
Testing fees	2,186	45,278	25,542	6,047	14,304	15,308	108,665
Other fees	207,575	12,207	13,057	503	404	392	234,138
Total fees	1,071,361	787,529	427,276	312,637	616,969	240,136	3,455,908
Total tuition and fees	6,567,529	35,665,275	25,088,308	19,059,695	29,860,295	13,541,081	129,782,183
Allowances and discounts							
Institutional allowances and scholarships	(363,354)	(1,629,459)	(794,937)	(687,258)	(1,471,407)	(861,253)	(5,807,668)
Remissions and exemptions - state	-	(1,498,989)	(810,606)	(575,033)	(902,770)	(586,651)	(4,374,049)
Remissions and exemptions - local - dual credit	-	(3,516,901)	(7,354,425)	(6,140,967)	(5,536,799)	(2,889,123)	(25,438,215)
Federal grants to students	(1,313,558)	(12,616,563)	(6,167,611)	(5,459,685)	(7,805,307)	(3,235,592)	(36,598,316)
TPEG awards	-	(1,129,822)	(552,314)	(488,918)	(698,971)	(289,749)	(3,159,774)
State grants to students	(869,179)	(763,275)	(373,743)	(330,299)	(472,204)	(195,747)	(3,004,447)
Other local awards	(2,865,862)	(77,150)	(15,005)	(2,512)	-	-	(2,960,529)
Total allowances and discounts	(5,411,953)	(21,232,159)	(16,068,641)	(13,684,672)	(16,887,458)	(8,058,115)	(81,342,998)
Total net tuition and fees	1,155,576	14,433,116	9,019,667	5,375,023	12,972,837	5,482,966	48,439,185
Other operating revenues							
Federal grants and contracts	2,655,594	3,857,057	11,001,977	3,028,860	1,657,786	40,234	22,241,508
State grants and contracts	1,642,233	250,634	135,588	268,676	72,625	-	2,369,756
Local grants and contracts	8,943,781	534,689	-	-	-	-	9,478,470
Non-governmental grants and contracts	973,814	274,925	19,325	41,960	110,540	3,690	1,424,254
Other operating revenues	2,981,746	965,645	490,771	1,111,297	174,370	346,009	6,069,838
Total other operating revenues	17,197,168	5,882,950	11,647,661	4,450,793	2,015,321	389,933	41,583,826
Sales and services of auxiliary enterprises							
Bookstore commission	-	30,651	22,162	24,055	22,282	18,496	117,646
Palo Alto College natatorium	-	-	-	37,068	-	-	37,068
Day care centers	-	214,986	182,374	36,806	-	-	434,166
Vending machines and copiers	10,507	40,395	38,243	21,790	21,554	6,061	138,550
Campus access fees and fines	(157,053)	742,192	302,901	245,091	536,000	221,224	1,890,355
Auxiliary-restricted	-	(99,454)	(53,973)	32,325	-	-	(121,102)
Other	10,287	210,924	12,062	17,232	6,448	3,734	260,687
Total sales and services of auxiliary enterprises	(136,259)	1,139,694	503,769	414,367	586,284	249,515	2,757,370
Total operating revenues	\$ 18,216,485	\$ 21,455,760	\$ 21,171,097	\$ 10,240,183	\$ 15,574,442	\$ 6,122,414	\$ 92,780,381

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Expenses by Location
For the Year Ended August 31, 2022
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	\$ (3,223,375)	\$ 43,905,641	\$ 35,779,199	\$ 19,292,335	\$ 26,463,690	\$ 10,441,233	\$ 132,658,723
Public service	(46,580)	1,539,094	64,152	44,199	-	-	1,600,865
Academic support	1,582,542	4,702,922	6,741,025	2,208,134	8,808,132	3,559,840	27,602,595
Student services	11,671,171	14,879,863	8,898,116	9,134,645	9,487,761	5,635,357	59,706,913
Institutional support	56,438,666	16,633,421	20,142,639	9,097,009	11,101,478	5,440,945	118,854,158
Operation and maintenance of plant	11,167,606	9,687,850	8,751,365	5,081,505	7,217,365	6,083,641	47,989,332
Scholarships and fellowships	6,933,327	36,630,017	16,066,207	17,496,671	22,708,464	7,762,383	107,597,069
Total educational activities	84,523,357	127,978,808	96,442,703	62,354,498	85,786,890	38,923,399	496,009,655
Auxiliary enterprises	(63,032)	164,475	193,228	909,995	-	-	1,204,666
Depreciation expense - buildings	1,182,503	578,327	1,822,157	235,906	137,711	63,303	4,019,907
Depreciation expense - equipment	2,494,334	7,055,196	9,084,611	4,976,152	5,105,049	3,487,253	32,202,595
Total operating expenses	\$ 88,137,162	\$ 135,776,806	\$ 107,542,699	\$ 68,476,551	\$ 91,029,650	\$ 42,473,955	\$ 533,436,823

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Non-Operating Revenues and Expenses by Location
For the Year Ended August 31, 2022
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
NON-OPERATING REVENUES:							
State appropriations							
Education and general state support	\$ -	\$ 18,769,138	\$ 14,062,438	\$ 9,494,909	\$ 16,264,312	\$ 5,347,580	\$ 63,938,377
State group insurance	(3,434,832)	3,453,216	2,790,692	1,800,847	2,199,610	1,167,531	7,977,064
State retirement match	(3,865,778)	1,466,519	1,237,206	764,907	971,655	454,747	1,029,256
Ad valorem taxes							
Taxes for maintenance and operations	78,612,094	32,115,650	33,697,029	20,534,099	17,434,403	16,393,520	198,786,795
Taxes for maintenance notes	9,546,605	3,900,105	4,092,147	2,493,648	2,117,223	1,990,819	24,140,547
Taxes for debt service	20,724,105	8,466,485	8,883,376	5,413,300	4,596,143	4,321,740	52,405,149
Federal revenue, non-operating	1,748,220	56,478,355	50,840,303	26,983,859	39,359,900	13,949,797	189,360,434
State revenue, non-operating	-	1,612,508	739,074	724,665	1,265,077	437,259	4,778,583
Gifts	1,179,232	701,592	512,400	890,655	1,767	1,300	3,286,946
Investment (loss) income	(4,373,797)	69,296	11,519	5,431	32,194	7,318	(4,248,039)
Total non-operating revenues	100,135,849	127,032,864	116,866,184	69,106,320	84,242,284	44,071,611	541,455,112
NON-OPERATING EXPENSES:							
Interest on capital-related debt	(183,458)	(4,674,195)	(4,097,057)	(3,268,484)	(3,742,678)	(3,254,075)	(19,219,947)
Interest on maintenance tax notes	(17,091)	(435,453)	(381,685)	(304,495)	(348,671)	(303,152)	(1,790,547)
Gain (loss) on disposal of capital assets	3,690	(867)	-	-	(2,635)	-	188
Other non-operating expenses	27,644	-	-	-	-	-	27,644
Total non-operating expenses	(169,215)	(5,110,515)	(4,478,742)	(3,572,979)	(4,093,984)	(3,557,227)	(20,982,662)
Net non-operating revenues	\$ 99,966,634	\$ 121,922,349	\$ 112,387,442	\$ 65,533,341	\$ 80,148,300	\$ 40,514,384	\$ 520,472,450

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Asset Types
For the Year Ended August 31, 2022
(Unaudited)

	Balance 9/1/2021	Additions	Deletions	Balance 8/31/2022
<i>Land:</i>				
San Antonio College	\$ 12,692,403	\$ -	\$ -	\$ 12,692,403
St. Philip's College	6,183,345	-	-	6,183,345
Palo Alto College	6,727,257	-	-	6,727,257
Northwest Vista College	1,717,000	-	-	1,717,000
Northeast Lakeview College	4,953,478	-	-	4,953,478
North Central Campus	12,793,381	-	-	12,793,381
District offices	10,584,044	-	-	10,584,044
Total land	55,650,908	-	-	55,650,908
<i>Buildings and building improvements:</i>				
San Antonio College	259,223,007	19,690,930	-	278,913,937
St. Philip's College	259,470,533	38,238,364	-	297,708,897
Palo Alto College	135,473,666	3,758,596	-	139,232,262
Northwest Vista College	159,729,251	27,115,089	-	186,844,340
Northeast Lakeview College	118,549,329	39,161,135	-	157,710,464
District offices	70,525,924	2,077,541	-	72,603,465
Total buildings and building improvements	1,002,971,710	130,041,655	-	1,133,013,365
<i>Other real estate improvements:</i>				
San Antonio College	26,032,626	-	-	26,032,626
St. Philip's College	31,451,048	-	-	31,451,048
Palo Alto College	21,581,603	-	-	21,581,603
Northwest Vista College	35,145,937	-	-	35,145,937
Northeast Lakeview College	16,530,899	-	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	10,685,069	-	-	10,685,069
Total other real estate improvements	141,622,902	-	-	141,622,902
<i>Furniture, machinery and equipment:</i>				
San Antonio College	8,406,296	1,082,144	410,634	9,077,806
St. Philip's College	17,343,752	6,623,105	519,110	23,447,747
Palo Alto College	3,191,198	260,479	167,282	3,284,395
Northwest Vista College	2,260,857	47,010	14,358	2,293,509
Northeast Lakeview College	816,828	896,031	81,026	1,631,833
District offices	14,729,688	607,195	517,761	14,819,122
Total furniture, machinery and equipment	46,748,619	9,515,964	1,710,171	54,554,412
<i>Software:</i>				
San Antonio College	66,827	-	-	66,827
St. Philip's College	60,319	-	-	60,319
Palo Alto College	9,408	6,000	-	15,408
District-wide	3,049,275	72,599	-	3,121,874
Total software	3,185,829	78,599	-	3,264,428
<i>Library materials:</i>				
San Antonio College	5,649,838	-	-	5,649,838
St. Philip's College	4,545,662	-	1,577	4,544,085
Palo Alto College	3,689,968	-	9,843	3,680,125
Northwest Vista College	962,096	-	-	962,096
Northeast Lakeview College	995,063	-	4,038	991,025
Total library materials	15,842,627	-	15,458	15,827,169
<i>Works of art:</i>				
San Antonio College	247,239	8,895	-	256,134
St. Philip's College	119,250	306,500	-	425,750
Palo Alto College	18,971	-	-	18,971
Northwest Vista College	5,000	-	-	5,000
Northeast Lakeview College	-	125,000	-	125,000
District offices	-	30,000	-	30,000
Total works of art	390,460	470,395	-	860,855
<i>Construction in progress:</i>				
San Antonio College	26,077,200	28,820,809	16,272,179	38,625,830
St. Philip's College	44,325,771	16,622,531	27,578,178	33,370,124
Palo Alto College	19,508,274	25,923,715	1,069,593	44,362,396
Northwest Vista College	22,014,844	808,339	20,902,521	1,920,662
Northeast Lakeview College	22,289,550	228,023	22,289,549	228,024
District offices	13,589,098	23,606,177	2,189,623	35,005,652
Total construction in progress	147,804,737	96,009,594	90,301,643	153,512,688
Grand total	\$ 1,414,217,792	\$ 236,116,207	\$ 92,027,272	\$ 1,558,306,727

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Location
For the Year Ended August 31, 2022
(Unaudited)

	Balance 9/1/2021	Additions	Deletions	Balance 8/31/2022
<i>San Antonio College:</i>				
Land	\$ 12,692,403	\$ -	\$ -	\$ 12,692,403
Buildings and building improvements	259,223,007	19,690,930	-	278,913,937
Other real estate improvements	26,032,626	-	-	26,032,626
Furniture, machinery and equipment	8,406,296	1,082,144	410,634	9,077,806
Software	66,827	-	-	66,827
Library materials	5,649,838	-	-	5,649,838
Works of art	247,239	8,895	-	256,134
Construction in progress	26,077,200	28,820,809	16,272,179	38,625,830
Total San Antonio College	338,395,436	49,602,778	16,682,813	371,315,401
<i>St. Philip's College:</i>				
Land	6,183,345	-	-	6,183,345
Buildings and building improvements	259,470,533	38,238,364	-	297,708,897
Other real estate improvements	31,451,048	-	-	31,451,048
Furniture, machinery and equipment	17,343,752	6,623,105	519,110	23,447,747
Software	60,319	-	-	60,319
Library materials	4,545,662	-	1,577	4,544,085
Works of art	119,250	306,500	-	425,750
Construction in progress	44,325,771	16,622,531	27,578,178	33,370,124
Total St. Philip's College	363,499,680	61,790,500	28,098,865	397,191,315
<i>Palo Alto College:</i>				
Land	6,727,257	-	-	6,727,257
Buildings and building improvements	135,473,666	3,758,596	-	139,232,262
Other real estate improvements	21,581,603	-	-	21,581,603
Furniture, machinery and equipment	3,191,198	260,479	167,282	3,284,395
Software	9,408	6,000	-	15,408
Library materials	3,689,968	-	9,843	3,680,125
Works of art	18,971	-	-	18,971
Construction in progress	19,508,274	25,923,715	1,069,593	44,362,396
Total Palo Alto College	190,200,345	29,948,790	1,246,718	218,902,417
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings and building improvements	159,729,251	27,115,089	-	186,844,340
Other real estate improvements	35,145,937	-	-	35,145,937
Furniture, machinery and equipment	2,260,857	47,010	14,358	2,293,509
Library materials	962,096	-	-	962,096
Works of art	5,000	-	-	5,000
Construction in progress	22,014,844	808,339	20,902,521	1,920,662
Total Northwest Vista College	221,834,985	27,970,438	20,916,879	228,888,544
<i>Northeast Lakeview College:</i>				
Land	4,953,478	-	-	4,953,478
Buildings and building improvements	118,549,329	39,161,135	-	157,710,464
Other real estate improvements	16,530,899	-	-	16,530,899
Furniture, machinery and equipment	816,828	896,031	81,026	1,631,833
Library materials	995,063	-	4,038	991,025
Works of art	-	125,000	-	125,000
Construction in progress	22,289,550	228,023	22,289,549	228,024
Total Northeast Lakeview College	164,135,147	40,410,189	22,374,613	182,170,723
<i>North Central Campus:</i>				
Land	12,793,381	-	-	12,793,381
Other real estate improvements	195,720	-	-	195,720
Total North Central Campus	12,989,101	-	-	12,989,101
<i>District offices:</i>				
Land	10,584,044	-	-	10,584,044
Buildings and building improvements	70,525,924	2,077,541	-	72,603,465
Other real estate improvements	10,685,069	-	-	10,685,069
Furniture, machinery and equipment	14,729,688	607,195	517,761	14,819,122
Software	3,049,275	72,599	-	3,121,874
Works of art	-	30,000	-	30,000
Construction in progress	13,589,098	23,606,177	2,189,623	35,005,652
Total District offices	123,163,098	26,393,512	2,707,384	146,849,226
Grand total	\$ 1,414,217,792	\$ 236,116,207	\$ 92,027,272	\$ 1,558,306,727





**Statistical Section
(Unaudited)**

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Section Introduction

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	\$ 423,582	\$ 372,565	\$ 335,842	\$ 318,710	\$ 275,577	\$ 253,835	\$ 210,275	\$ 188,810	\$ 180,647	\$ 170,255
Restricted - expendable	52,292	46,230	36,103	20,298	19,840	10,545	24,591	24,241	18,633	16,410
Unrestricted	(86,294)	(113,268)	(145,335)	(155,975)	(158,554)	30,309	29,847	26,030	86,223	101,383
Total	389,580	305,527	226,610	183,032	136,863	294,689	264,713	239,081	285,503	288,048
Net position, beginning of year ^{1,2,3,4}	305,527	226,610	191,164	136,863	294,689	264,713	239,081	230,602	288,048	278,618
Increase (decrease) in net position	\$ 84,053	\$ 78,916	\$ 35,446	\$ 46,170	\$ 27,024	\$ 29,976	\$ 25,632	\$ 8,479	\$ (2,545)	\$ 9,430

¹In fiscal year 2022, net position as of the beginning of the year was restated (reduced) by \$24,827 for the cumulative effect of applying GASB Statement No. 87.

²In fiscal year 2020, net position as of the beginning of the year was restated (increased) by \$8.1 million due to the effects of reclassifying state appropriations for construction as nonexchange transactions.

³In fiscal year 2018, net position as of the beginning of the year was restated (reduced) by \$184.9 million for the cumulative effect of applying GASB Statement No. 75.

⁴In fiscal year 2015, net position as of the beginning of the year was restated (reduced) by \$54.9 million for the cumulative effect of applying GASB Statement No. 68, as amended by GASB Statement No. 71.

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,																			
	2022*		2021		2020		2019		2018		2017		2016		2015		2014		2013	
OPERATING REVENUES:																				
Tuition and fees (net of discounts)	\$ 48,439	7.6%	\$ 49,730	8.7%	\$ 53,796	10.2%	\$ 56,683	11.2%	\$ 54,868	11.3%	\$ 54,367	11.7%	\$ 57,456	12.9%	\$ 58,190	13.8%	\$ 58,801	14.3%	\$ 64,091	15.5%
Governmental grants and contracts																				
Federal grants and contracts	22,242	3.5%	28,455	5.0%	19,347	3.7%	18,163	3.6%	17,182	3.5%	23,876	5.1%	20,369	4.6%	11,778	2.8%	12,766	3.1%	19,139	4.6%
State grants and contracts	2,370	0.4%	905	0.2%	1,118	0.2%	1,426	0.3%	445	0.1%	1,722	0.4%	1,920	0.4%	3,948	0.9%	4,066	1.0%	3,319	0.8%
Local grants and contracts	9,478	1.5%	5,504	1.0%	2,161	0.4%	1,555	0.3%	1,869	0.4%	4,490	1.0%	1,945	0.4%	1,297	0.3%	1,446	0.4%	1,954	0.5%
Non-governmental grants and contracts	1,424	0.2%	1,054	0.2%	995	0.2%	475	0.1%	556	0.1%	369	0.1%	585	0.1%	413	0.1%	540	0.1%	369	0.1%
Auxiliary enterprises	2,757	0.4%	2,112	0.4%	3,601	0.7%	5,114	1.0%	5,251	1.1%	4,932	1.1%	5,128	1.2%	4,929	1.2%	5,137	1.2%	4,064	1.0%
Other operating revenue	6,071	1.0%	5,519	1.0%	5,515	1.0%	6,441	1.3%	5,881	1.2%	4,177	0.9%	3,516	0.8%	3,404	0.8%	2,830	0.7%	2,993	0.7%
Total operating revenues	92,781	14.6%	93,279	16.5%	86,533	16.4%	89,858	17.8%	86,052	17.7%	93,933	20.3%	90,919	20.4%	83,959	19.9%	85,586	20.8%	95,929	23.2%
NON-OPERATING REVENUES:																				
State appropriations	72,945	11.5%	80,008	14.0%	83,980	16.0%	76,754	15.2%	83,918	17.3%	80,366	17.3%	77,486	17.4%	77,541	18.4%	77,020	18.7%	75,998	18.4%
Ad valorem taxes	275,332	43.4%	261,201	45.3%	247,058	46.9%	231,936	45.8%	216,735	44.8%	205,701	44.0%	188,253	42.3%	167,806	39.9%	157,721	38.3%	148,974	36.0%
Federal revenue, non-operating	189,360	29.9%	133,438	23.3%	99,459	18.9%	93,921	18.6%	86,812	17.9%	78,850	16.9%	79,919	18.0%	82,691	19.6%	84,282	20.5%	87,421	21.1%
State revenue, non-operating	4,779	0.8%	3,867	0.7%	3,878	0.7%	3,610	0.7%	4,178	0.9%	4,071	0.9%	4,272	1.0%	7,063	1.7%	4,392	1.1%	3,634	0.9%
Gifts	3,287	0.5%	316	0.1%	308	0.1%	406	0.1%	250	0.1%	859	0.2%	2,602	0.6%	1,342	0.3%	1,658	0.4%	1,426	0.3%
Investment income, non-operating	(4,248)	-0.7%	662	0.1%	5,225	1.0%	9,033	1.8%	6,148	1.3%	1,739	0.4%	1,168	0.3%	775	0.2%	1,027	0.2%	222	0.1%
Total non-operating revenues	541,455	85.4%	479,492	83.5%	439,908	83.6%	415,660	82.2%	398,041	82.3%	371,586	79.7%	353,700	79.6%	337,218	80.1%	326,100	79.2%	317,675	76.8%
Total revenues	\$ 634,236	100.0%	\$ 572,771	100.0%	\$ 526,442	100.0%	\$ 505,518	100.0%	\$ 484,093	100.0%	\$ 465,519	100.0%	\$ 444,619	100.0%	\$ 421,177	100.0%	\$ 411,686	100.0%	\$ 413,604	100.0%

*Due to the implementation of GASB 87, certain FY2021 balances have been restated

ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,																			
	2022		2021*		2020		2019		2018		2017		2016		2015		2014		2013	
OPERATING EXPENSES:																				
Instruction	\$ 132,657	23.9%	\$ 140,251	27.8%	\$ 146,595	29.6%	\$ 137,204	29.9%	\$ 138,430	30.3%	\$ 132,779	30.5%	\$ 125,546	30.0%	\$ 125,728	30.5%	\$ 125,882	30.4%	\$ 124,406	30.8%
Public service	1,601	0.3%	1,427	0.3%	1,707	0.3%	1,515	0.3%	1,400	0.3%	1,289	0.3%	856	0.2%	1,316	0.3%	1,638	0.4%	330	0.1%
Academic support	27,603	5.0%	28,152	5.6%	30,810	6.2%	29,665	6.4%	27,326	6.0%	27,148	6.2%	24,846	5.9%	25,110	6.1%	24,662	6.0%	25,069	6.2%
Student services	59,707	10.8%	58,280	11.6%	61,570	12.4%	54,945	12.0%	50,931	11.1%	48,520	11.1%	45,707	10.9%	42,971	10.4%	36,774	8.9%	32,083	7.9%
Institutional support	118,854	21.4%	101,071	20.1%	80,543	16.3%	78,660	17.1%	79,247	17.3%	73,426	16.9%	69,972	16.7%	65,195	15.8%	65,231	15.7%	63,871	15.8%
Operation and maintenance of plant	47,989	8.7%	46,120	9.2%	52,741	10.6%	40,758	8.9%	45,572	10.0%	41,066	9.4%	38,294	9.1%	36,124	8.8%	36,790	8.9%	36,178	9.0%
Scholarships and fellowships	107,597	19.4%	73,405	14.6%	59,182	11.9%	56,825	12.4%	55,135	12.1%	54,612	12.5%	53,517	12.8%	57,362	13.9%	58,905	14.2%	58,358	14.4%
Auxiliary enterprises	1,205	0.2%	1,346	0.3%	1,677	0.3%	1,640	0.4%	1,930	0.4%	1,743	0.4%	1,757	0.4%	1,722	0.4%	1,672	0.4%	1,531	0.4%
Depreciation and amortization	36,223	6.5%	34,414	6.8%	33,538	6.8%	32,380	7.0%	32,017	7.0%	31,676	7.3%	32,007	7.6%	31,518	7.6%	32,152	7.8%	29,850	7.4%
Total operating expenses	533,436	96.2%	484,466	96.3%	468,363	94.5%	433,593	94.4%	431,988	94.5%	412,259	94.6%	392,502	93.6%	387,046	93.8%	383,706	92.7%	371,676	92.0%
NON-OPERATING EXPENSES:																				
Interest on capital-related debt and MTN	21,011	3.8%	20,269	4.0%	17,790	3.6%	22,482	4.9%	22,314	4.9%	20,441	4.7%	20,071	4.8%	23,368	5.7%	25,062	6.1%	26,538	6.6%
Other non-operating expenses	(28)	0.0%	1,572	0.2%	387	0.1%	3,821	0.8%	2,758	0.6%	2,609	0.6%	6,370	1.5%	2,216	0.5%	5,319	1.2%	5,612	1.3%
(Gain) loss on disposal of capital assets	-	0.0%	(2,328)	-0.5%	8,914	1.8%	(548)	-0.1%	9	0.0%	233	0.1%	45	0.1%	68	0.0%	144	0.0%	348	0.1%
Total non-operating expenses	20,983	3.8%	19,513	3.7%	27,091	5.5%	25,755	5.6%	25,081	5.5%	23,283	5.4%	26,486	6.4%	25,652	6.2%	30,525	7.3%	32,498	8.0%
Total expenses	\$ 554,419	100.0%	\$ 503,979	100.0%	\$ 495,454	100.0%	\$ 459,348	100.0%	\$ 457,069	100.0%	\$ 435,542	100.0%	\$ 418,988	100.0%	\$ 412,698	100.0%	\$ 414,231	100.0%	\$ 404,174	100.0%

*Due to the implementation of GASB 87, certain FY2021 balances have been restated

ALAMO COMMUNITY COLLEGE DISTRICT

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

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

Academic Year (Fall)	In-District Tuition*	Out-of-District Tuition*	Student Activity Fees	Student Support Service Fee	Campus Access Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
Fall 2021	\$ 99.00	\$ 215.00	\$ 36.00	\$ 25.00	\$ -	\$ 1,249.00	\$ 2,641.00	0.00%	0.00%
Fall 2020	99.00	215.00	36.00	-	25.00	1,249.00	2,641.00	0.00%	0.00%
Fall 2019	99.00	215.00	36.00	-	25.00	1,249.00	2,641.00	14.27%	6.28%
Fall 2018	86.00	202.00	36.00	-	25.00	1,093.00	2,485.00	2.25%	0.98%
Fall 2017	86.00	202.00	12.00	-	25.00	1,069.00	2,461.00	17.47%	4.10%
Fall 2016	73.00	194.00	12.00	-	25.00	910.00	2,364.00	4.84%	4.93%
Fall 2015	69.00	185.00	12.00	-	25.00	868.00	2,253.00	0.00%	0.00%
Fall 2014	69.00	185.00	12.00	-	25.00	868.00	2,253.00	0.00%	0.00%
Fall 2013	69.00	185.00	12.00	-	25.00	868.00	2,253.00	2.97%	1.12%
Fall 2012	69.00	185.00	12.00	-	-	843.00	2,228.00	2.93%	0.00%

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

Academic Year (Fall)	Non-Resident Tuition Out-of-State*	Student Activity Fees	Student Support Service Fee	Campus Access Fee	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2021	\$ 466.00	\$ 36.00	\$ 25.00	\$ -	\$ 5,653.00	0.00%
Fall 2020	466.00	36.00	-	25.00	5,653.00	0.00%
Fall 2019	466.00	36.00	-	25.00	5,653.00	2.84%
Fall 2018	453.00	36.00	-	25.00	5,497.00	0.44%
Fall 2017	453.00	12.00	-	25.00	5,473.00	20.44%
Fall 2016	376.00	12.00	-	25.00	4,544.00	4.97%
Fall 2015	358.00	12.00	-	25.00	4,329.00	0.00%
Fall 2014	358.00	12.00	-	25.00	4,329.00	0.00%
Fall 2013	358.00	12.00	-	25.00	4,329.00	0.58%
Fall 2012	358.00	12.00	-	-	4,304.00	51.82%

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	Assessed Valuation of Property*	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations	Debt Service	Total
2021-22	\$ 216,980,124,090	\$ 23,533,952,987	\$ 193,446,171,103	89.15%	0.10776	0.04139	0.14915
2020-21	204,965,384,000	21,647,671,167	183,317,712,833	89.44%	0.10776	0.04139	0.14915
2019-20	190,799,155,922	17,283,809,209	173,515,346,713	90.94%	0.10776	0.04139	0.14915
2018-19	178,664,455,752	16,200,271,693	162,464,184,059	90.93%	0.10776	0.04139	0.14915
2017-18	166,595,034,165	14,761,694,685	151,833,339,480	91.14%	0.10776	0.04139	0.14915
2016-17	155,381,589,446	13,268,330,107	142,113,259,339	91.46%	0.10776	0.04139	0.14915
2015-16	141,897,318,235	12,277,254,224	129,620,064,011	91.35%	0.10530	0.04385	0.14915
2014-15	126,187,727,254	11,432,857,776	114,754,869,478	90.94%	0.10640	0.04275	0.14915
2013-14	117,537,576,763	10,595,670,602	106,941,906,161	90.99%	0.10440	0.04475	0.14915
2012-13	111,855,649,838	10,294,806,815	101,560,843,023	90.80%	0.10440	0.04475	0.14915

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

*The Assessed Valuation is presented net of Tax Increment Financings. See Note 20 for additional information.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 6a General Appropriations Act Before Contact Hour Adjustments¹ Last Ten Fiscal Years (Unaudited)

Appropriation Funding Elements	For the years ended August 31,									
	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*	2013
State Appropriation Contact Hour Funding (CH)	\$ 51,200,312	\$52,933,963	\$52,933,963	\$52,031,745	\$52,031,745	\$52,680,089	\$52,680,089	\$56,125,968	\$56,125,968	\$63,625,883
State Appropriation Student Success Points (SSP)	12,057,659	9,160,109	9,160,109	7,194,360	7,194,360	6,653,202	6,653,202	6,814,491	6,814,491	-
State Appropriation Core Operations (CO)	680,406	680,406	680,406	680,406	680,406	500,000	500,000	500,000	500,000	-
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	3,855,480	4,058,400	4,058,400	4,058,400	4,058,400	4,450,000	4,450,000	-	-	-
Total	<u>\$ 67,793,857</u>	<u>\$66,832,878</u>	<u>\$66,832,878</u>	<u>\$63,964,911</u>	<u>\$63,964,911</u>	<u>\$64,283,291</u>	<u>\$64,283,291</u>	<u>\$63,440,459</u>	<u>\$63,440,459</u>	<u>\$63,625,883</u>

¹ General Appropriations Act, HB 1, 86th Texas Legislature, Section 1 (page III-206) - Informational Listing of Appropriated Funds

* Formula funding methodology changed in fiscal year 2014

Source: THECB - Ten Pay Schedule

ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended	State Appropriation (unrestricted) per Schedule C	FTSE ¹	State Appropriation per FTSE
2022*	\$ 63,938,377	31,060	\$ 2,059
2021*	62,810,640	33,147	1,895
2020*	62,513,470	36,714	1,703
2019*	59,906,511	35,415	1,692
2018*	59,907,851	34,724	1,725
2017*	59,928,821	34,953	1,715
2016*	59,833,294	35,771	1,673
2015*	63,440,469	35,586	1,783
2014*	63,440,918	36,031	1,761
2013	63,625,883	36,849	1,727

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

* Formula funding methodology changed in fiscal year 2014

Source: CBM004 and CBM00C

ALAMO COMMUNITY COLLEGE DISTRICT

**Statistical Supplement 6c
State Appropriation Per Funded Contact Hour¹
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended	CH - State Appropriation (unrestricted) ²	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours	Appropriation per Funded Contact Hour
2022*	\$ 51,200,312	13,586,840	3,323,578	248,640	17,159,058	2.98
2021*	52,933,963	14,686,392	3,301,655	192,137	18,180,184	2.91
2020*	52,933,963	16,405,776	3,695,214	239,714	20,340,704	2.60
2019*	52,031,745	15,912,216	3,503,216	340,512	19,755,944	2.63
2018*	52,031,745	16,291,384	3,397,264	376,509	20,065,157	2.59
2017*	52,680,089	16,073,080	3,655,173	384,757	20,113,010	2.62
2016*	52,680,089	16,189,360	3,701,027	386,595	20,276,982	2.60
2015*	56,125,968	15,932,152	4,008,405	510,549	20,451,106	2.74
2014*	56,125,968	16,338,384	4,126,465	592,161	21,057,010	2.67
2013	63,625,883	16,850,656	4,345,555	641,331	21,837,542	2.91

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

²State Funded Contact Hour Appropriation as presented in Schedule 6a

* Formula funding methodology changed in fiscal year 2014

Source: CBM004 and CBM00C

ALAMO COMMUNITY COLLEGE DISTRICT

**Statistical Supplement 6d
State Appropriation Per Student Success Point - Annualized
Last Nine Fiscal Years¹
(Unaudited)**

Fiscal Year Ended ¹	SSP - State Appropriation (Unrestricted) ²	3-Year Average Student Success Points ³	Appropriation per Student Success Point
2022	\$ 12,057,659	97,276	\$ 123.95
2021	9,160,109	90,453	101.27
2020	9,160,109	90,453	101.27
2019	7,194,360	83,871	85.78
2018	7,194,360	83,871	85.78
2017	6,653,202	77,101	86.29
2016	6,653,202	77,101	86.29
2015	6,814,491	73,621	92.56
2014	6,814,491	73,621	92.56

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

²State Funded student success point appropriation as presented in Schedule 6a

³Source: THECB - Ten Pay Schedule

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 6e Student Success Points (SSP) Last Ten Fiscal Years¹ (Unaudited)

Success Point Elements¹	For the years ended August 31,									
	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*	2013	2012
Math Readiness	2,907	3,712	2,934	3,143	2,837	2,742	2,006	2,039	3,778	976
Read Readiness	1,522	1,599	1,437	1,553	1,531	1,482	1,097	1,231	2,565	881
Write Readiness	1,229	637	1,028	1,137	1,298	1,253	981	1,111	2,094	756
Students Who Pass FCL Math Course	9,567	11,594	9,681	9,367	9,406	9,927	9,909	9,588	8,620	9,055
Students Who Pass FCL Read Course	5,437	5,721	5,237	5,435	5,570	5,305	5,361	5,584	5,515	6,475
Students Who Pass FCL Write Course	5,397	5,719	5,470	5,410	5,444	5,336	5,254	5,209	5,128	6,626
Students Who Complete 15 SCH	17,129	17,986	17,301	17,910	16,721	16,756	15,616	16,164	15,051	15,384
Students Who Complete 30 SCH	10,872	11,578	11,436	11,286	10,835	10,495	10,033	10,180	9,908	9,539
Student Transfers to a 4-Yr Inst	12,170	12,576	13,698	12,310	12,176	12,024	11,504	11,256	11,072	11,184
Degrees, CCCs, or Certs (Undup)	21,224	21,436	20,102	20,658	21,812	21,202	17,530	13,576	11,548	9,840
Degrees or Certs in Critical Fields	3,002	2,144	2,914	2,637	3,022	3,348	3,476	3,049	3,110	3,166
Annual Success Points - Total	90,455	94,702	91,238	90,846	90,652	89,870	82,767	78,987	78,389	73,882

¹These are annual weighted SSP, not 3-year rolling averages.

* Formula funding methodology changed in Fiscal Year 2014

Source: THECB

ALAMO COMMUNITY COLLEGE DISTRICT

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

Taxable Assessed Value (TAV) (\$000 omitted)

Taxpayer	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Microsoft Corporation	\$ 1,742,381	\$ 1,410,698	\$ 1,218,175	\$ 906,691	\$ 763,981	\$ 587,517	\$ 438,070	\$ 273,326	\$ 322,193	\$ 340,011
HEB Grocery Company LP	1,729,339	1,610,697	1,454,000	1,432,683	1,415,595	1,355,150	1,265,838	1,119,370	1,090,006	1,025,290
Methodist Healthcare Systems SA LTD LLP	762,910	795,870	822,952	779,753	714,781	666,134	616,182	573,090	540,523	532,699
Toyota Motor Mfg Texas Inc.	661,477	563,693	549,276	557,232	516,943	582,068	558,664	560,473	554,647	523,666
Wal-Mart Stores, Inc.	639,272	656,287	700,443	750,514	687,965	679,929	614,127	552,930	512,390	400,886
VHS San Antonio Partners LP	497,176	495,947	521,593	536,674	509,095	520,866	514,599	501,719	469,526	359,878
USAA	355,010	370,431	368,267	332,200	390,986	409,527	361,960	313,438	309,922	323,095
La Cantera Specialty Retail LTD Partnership	329,651	352,702	351,191	-	359,482	354,890	343,303	272,081	228,526	221,968
Southwestern Bell Telephone	308,179	330,259	369,022	343,011	342,872	352,861	325,075	337,247	351,030	391,280
Frankel Family Trust	307,396	307,022	-	313,777	-	-	-	-	-	-
Halliburton Energy Services, Inc.	-	-	342,259	-	292,246	317,326	413,029	309,888	-	-
Well Services, a division of Schlumberger	-	-	-	355,025	-	-	-	-	-	-
SA Real Estate LLLP	-	-	-	-	-	-	-	-	220,992	224,013
Total	\$ 7,332,791	\$ 6,893,607	\$ 6,697,178	\$ 6,307,560	\$ 5,993,946	\$ 5,826,268	\$ 5,450,847	\$ 4,813,562	\$ 4,599,755	\$ 4,342,786
Total Taxable Assessed Value	\$ 193,446,171	\$ 183,317,713	\$ 173,515,347	\$ 162,464,184	\$ 151,833,339	\$ 142,113,259	\$ 129,620,064	\$ 114,754,869	\$ 106,941,906	\$ 101,560,843

% of Total Taxable Assessed Value (TAV)

Taxpayer	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Microsoft Corporation	0.90%	0.77%	0.70%	0.56%	0.50%	0.41%	0.34%	0.24%	0.30%	0.33%
HEB Grocery Company LP	0.89%	0.88%	0.84%	0.88%	0.93%	0.95%	0.98%	0.98%	1.02%	1.01%
Methodist Healthcare Systems SA LTD LLP	0.39%	0.43%	0.47%	0.48%	0.47%	0.47%	0.48%	0.50%	0.51%	0.52%
Toyota Motor Mfg Texas Inc.	0.34%	0.31%	0.32%	0.34%	0.34%	0.41%	0.43%	0.49%	0.52%	0.52%
Wal-Mart Stores, Inc.	0.33%	0.36%	0.40%	0.46%	0.45%	0.48%	0.47%	0.48%	0.48%	0.39%
VHS San Antonio Partners LP	0.26%	0.27%	0.30%	0.33%	0.34%	0.37%	0.40%	0.44%	0.44%	0.35%
USAA	0.18%	0.20%	0.21%	0.20%	0.26%	0.29%	0.28%	0.27%	0.29%	0.32%
La Cantera Specialty Retail LTD Partnership	0.17%	0.19%	0.20%	0.00%	0.24%	0.25%	0.26%	0.24%	0.21%	0.22%
Southwestern Bell Telephone	0.16%	0.18%	0.21%	0.21%	0.23%	0.25%	0.25%	0.29%	0.33%	0.39%
Frankel Family Trust	0.16%	0.17%	0.00%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Halliburton Energy Services, Inc.	0.00%	0.00%	0.20%	0.00%	0.19%	0.22%	0.32%	0.27%	0.00%	0.00%
Well Services, a division of Schlumberger	0.00%	0.00%	0.00%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.22%
Total	3.78%	3.75%	3.85%	3.87%	3.95%	4.10%	4.21%	4.20%	4.31%	4.27%

Source: Bexar County Appraisal District

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended Aug 31	Original Year Levy	Cumulative Levy Adjustments	Adjusted Tax Levy ⁽¹⁾	Collections Year of Original Levy	Collection Percentage Original Levy	Prior Collections of Prior Levies ⁽²⁾	Current Year Collections of Prior Levies	Total Collections	Cumulative Collections of Adjusted Levy
2022	\$ 274,877,046	\$ (217,011)	\$ 274,660,035	\$ 270,971,862	98.58%	\$ -	\$ -	\$ 270,971,862	98.66%
2021	254,322,861	5,883,102	260,205,963	257,891,551	101.40%	-	758,266	258,649,816	99.40%
2020	250,822,929	(4,637,873)	246,185,056	244,600,809	97.52%	324,398	260,929	245,186,136	99.59%
2019	235,123,523	(4,149,449)	230,974,074	229,767,442	97.72%	228,699	256,835	230,252,975	99.69%
2018	220,999,630	(4,533,888)	216,465,742	215,596,460	97.56%	238,784	94,241	215,929,484	99.75%
2017	206,482,168	(3,633,061)	202,849,106	202,675,506	98.16%	(303,298)	52,905	202,425,113	99.79%
2016	189,391,239	(2,822,870)	186,568,370	185,543,626	97.97%	636,692	33,677	186,213,995	99.81%
2015	168,691,852	(2,432,888)	166,258,964	165,010,702	97.82%	918,063	26,459	165,955,224	99.82%
2014	157,087,439	(1,686,453)	155,400,986	154,114,745	98.11%	997,848	23,416	155,136,008	99.83%
2013	148,541,205	(1,274,705)	147,266,500	145,758,928	98.13%	1,244,556	19,100	147,022,584	99.83%

Source: Bexar County Tax Assessor-Collector

(1) As of August 31st of the current reporting year

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Years Ended August 31, (in thousands*)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Bonded Debt										
General obligation bonds	\$ 572,059	\$ 602,038	\$ 392,684	\$ 436,684	\$ 474,683	\$ 341,042	\$ 363,361	\$ 374,652	\$ 384,644	\$ 394,187
Tax notes	32,453	56,622	97,466	55,234	62,680	69,820	85,888	109,816	125,261	138,976
Net general bonded debt	\$ 604,512	\$ 658,660	\$ 490,150	\$ 491,918	\$ 537,363	\$ 410,862	\$ 449,249	\$ 484,468	\$ 509,905	\$ 533,163
Other Debt										
Revenue bonds	\$ 69,841	\$ 76,674	\$ 85,167	\$ 103,667	\$ 109,802	\$ 115,398	\$ 64,894	\$ 69,894	\$ 74,829	\$ 80,163
Notes payable	3,503	4,684	9,693	12,402	13,853	15,157	16,504	15,923	17,162	12,727
Total Outstanding Debt	\$ 677,856	\$ 740,018	\$ 585,010	\$ 607,987	\$ 661,018	\$ 541,417	\$ 530,647	\$ 570,285	\$ 601,896	\$ 626,053
Figures for Debt Ratios:										
Bexar County population ¹	2,068,234	2,038,779	2,006,193	1,997,417	1,979,294	1,952,946	1,918,444	1,890,984	1,846,354	1,813,421
Full-Time Student Equivalent (FTSE) ²	31,060	33,147	36,714	35,415	34,724	34,953	35,771	35,586	36,031	36,849
Taxable assessed value (TAV) ³	\$ 193,446,171	\$ 183,317,713	\$ 173,515,347	\$ 162,464,184	\$ 151,833,339	\$ 142,113,259	\$ 129,620,064	\$ 114,703,126	\$ 106,941,906	\$ 101,560,843
General Bonded Debt Ratios										
Per capita	\$ 292.28	\$ 323.07	\$ 244.32	\$ 246.28	\$ 271.49	\$ 210.38	\$ 234.17	\$ 256.20	\$ 276.17	\$ 294.01
Per FTSE	19,463	19,871	13,350	13,890	15,475	11,755	12,559	13,614	14,152	14,469
As a percentage of TAV	0.31%	0.36%	0.28%	0.30%	0.35%	0.29%	0.35%	0.42%	0.48%	0.52%
Total Outstanding Debt Ratios										
Per capita	\$ 327.75	\$ 362.97	\$ 291.60	\$ 304.39	\$ 333.97	\$ 277.23	\$ 276.60	\$ 301.58	\$ 325.99	\$ 345.23
Per FTSE	21,824	22,325	15,934	17,167	19,036	15,490	14,835	16,026	16,705	16,990
As a percentage of TAV	0.35%	0.40%	0.34%	0.37%	0.44%	0.38%	0.41%	0.50%	0.56%	0.62%

Notes/Sources:

*Except for figures for debt ratios

Bonds outstanding are adjusted by premium or discount.

¹Population obtained from Texas Demographic Center (2012-2020). 2021-2022 population estimate obtained from World Population Review.

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

General Obligation Bonds

For the Year Ended August 31,	Net Taxable Assessed Value ¹	Elected Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Service Requirements	Excess of Elected Limit for Debt Service over Current Requirements	Net Current Requirements ² as a % of Elected Limit
2022	\$ 193,446,171	\$ 275,158	\$ 17,273	\$ 257,885	\$ 41,461	\$ 216,424	8.79%
2021	183,317,713	260,751	6,375	254,376	30,149	224,227	9.12%
2020	173,515,347	246,808	9,823	236,985	30,773	206,212	8.49%
2019	162,464,184	231,089	9,595	221,494	54,828	166,666	19.57%
2018	151,833,339	215,968	8,032	207,936	28,857	179,079	9.64%
2017	142,113,259	202,142	2,058	200,084	37,250	162,834	17.41%
2016	129,620,064	186,134	9,245	176,889	25,000	151,889	8.46%
2015	114,754,869	167,083	6,444	160,639	26,920	133,719	12.25%
2014	106,941,906	155,707	5,808	149,899	26,913	122,986	13.55%
2013	101,560,843	155,517	5,788	149,729	26,911	122,818	13.58%

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

¹Net Taxable Assessed Value obtained from most recent Supplement to the Certified Total (ARB Approved 2020 Supplement 226) and is shown net of exemptions and tax increment financings.

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31,	Pledged Revenues (\$000 omitted)				Debt Service Requirements (\$000 omitted)			
	Tuition	Investment Income	Other Income	Total	Principal	Interest	Total	Coverage Ratio
2022	\$ 21,278	\$ 1,280	\$ 5,528	\$ 28,086	\$ 6,395	\$ 2,984	\$ 9,379	2.99
2021	22,018	914	4,751	27,683	8,000	3,302	11,302	2.45
2020	23,933	3,239	5,419	32,591	5,880	3,792	9,672	3.37
2019	24,187	4,598	6,256	35,041	5,685	4,120	9,805	3.57
2018	24,808	2,645	6,453	33,906	5,145	4,717	9,862	3.44
2017	25,358	1,602	6,137	33,097	4,780	2,288	7,068	4.68
2016	24,693	974	6,292	31,959	4,720	2,356	7,076	4.52
2015	25,486	639	6,147	32,272	4,655	2,409	7,064	4.57
2014	26,199	513	6,033	32,745	5,055	2,448	7,503	4.36
2013*	27,432	513	5,590	33,535	4,410	2,742	7,152	4.69

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

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Calendar Year	District Population	District Personal Income (Thousands of Dollars)	District Personal Income Per Capita	District Annual Unemployment Rate
2021	2,028,236	* \$ 105,022,781 *	\$ 51,780 *	4.8%
2020	2,009,324	95,829,678	47,692	7.9%
2019	2,003,554	91,473,170	45,655	3.2%
2018	1,986,049	85,782,196	43,192	3.2%
2017	1,958,578	85,782,196	43,798	3.5%
2016	1,928,680	84,122,309	43,617	3.7%
2015	1,897,753	81,038,194	42,702	3.8%
2014	1,855,866	75,825,317	40,857	4.7%
2013	1,822,154	71,786,980	39,397	5.8%
2012	1,788,858	70,274,756	39,825	6.3%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, and The County Information Program (2018-22)
 Bureau of Economic Analysis, US Department of Commerce and Bureau of Labor Statistics (2016-2017)
 Texas Workforce Commission, LMI Tracer, Data Link, US Census Bureau State and County Facts (2010-2015)
 *Current year data available at time of publication and subject to update in subsequent year.

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2022 (1)		2021 (2)		2020 (3)		2019 (4)		2018 (5)		2017 (6)		2016 (7)		2015 (8)		2014 (9)		2013 (10)	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Principal Employers																				
Joint Base San Antonio	81,034	7.3%	80,000	7.2%	74,289	6.8%	86,497	8.5%	86,497	8.0%	89,661	8.5%	88,760	8.5%	88,760	8.2%	92,295	8.4%	100,802	10.0%
H.E.B. Grocery Company	27,487	2.5%	27,487	2.5%	21,302	2.0%	25,241	2.5%	22,053	2.1%	23,418	2.2%	18,715	1.8%	18,715	1.7%	19,107	1.7%	17,717	1.8%
USAA	18,690	1.7%	18,690	1.7%	19,217	1.8%	19,660	1.9%	18,305	1.7%	18,305	1.7%	17,163	1.6%	17,000	1.6%	17,000	1.5%	15,900	1.6%
Northside Independent School District	13,498	1.2%	13,498	1.2%	14,117	1.3%	14,023	1.4%	13,996	1.3%	13,977	1.3%	13,969	1.3%	13,161	1.2%	11,706	1.1%	13,573	1.3%
City of San Antonio	11,042	1.0%	11,042	1.0%	11,903	1.1%	11,787	1.2%	11,462	1.1%	11,462	1.1%	11,922	1.1%	11,922	1.1%	13,698	1.2%	13,356	1.3%
Methodist Healthcare System	9,761	0.9%	9,761	0.9%	10,393	1.0%	9,851	1.0%	9,851	0.9%	9,620	0.9%	9,209	0.9%	9,141	0.8%	9,141	0.8%	8,500	0.8%
University Health System	9,542	0.9%	9,542	0.9%	9,372	0.9%	9,213	0.9%	9,292	0.9%	9,292	0.9%	8,960	0.9%	8,600	0.8%	8,500	0.8%	8,118	0.8%
Northeast Independent School District	8,600	0.8%	8,386	0.8%	9,001	0.8%	8,947	0.9%	8,798	0.8%	8,570	0.8%	8,176	0.8%	7,708	0.7%	7,423	0.7%	7,425	0.7%
San Antonio Independent School District	7,410	0.7%	7,410	0.7%	7,451	0.7%	7,358	0.7%	7,703	0.7%	7,375	0.7%	7,334	0.7%	7,382	0.7%	7,263	0.7%	7,205	0.7%
Baptist Health System	6,162	0.6%	6,162	0.6%	6,490	0.6%	6,371	0.6%	6,371	0.6%	6,383	0.6%	6,432	0.6%	5,800	0.5%	6,498	0.6%	6,702	0.7%
Total Employment - (Principal employers)	193,226	17.6%	191,978	17.5%	183,535	16.8%	198,948	19.4%	194,328	18.1%	198,063	18.7%	190,640	18.3%	188,189	17.3%	192,631	17.5%	199,298	19.7%
Total Employment - (All employers)	1,111,200	100.0%	1,092,200	100.0%	1,023,500	100.0%	1,075,500	100.0%	1,058,300	100.0%	1,041,300	100.0%	1,086,301	100.0%	1,099,430	100.0%	1,011,080	100.0%	990,148	100.0%

- (1) Source: Bexar County ACFR, City of San Antonio, Texas, Northside ISD, and Northeast ISD respective websites
- (2) Source: San Antonio Business Journal Book of Lists, Bexar County ACFR, City of San Antonio, Texas; Northside ISD, Northeast ISD and San Antonio ISD respective websites
- (3) Source: San Antonio Economic Development Division, City of San Antonio, Texas; Northside ISD, Northeast ISD and San Antonio ISD respective websites
- (4) Source: San Antonio Economic Development Foundation Website 08/2019 <http://www.sanantonioedf.com/why-san-antonio/data/>; Northside ISD, Northeast ISD and San Antonio ISD respective websites
- (5) Source: San Antonio Economic Development Foundation Website 05/2018 <http://www.sanantonioedf.com/why-san-antonio/data/>; Northside ISD, Northeast ISD and San Antonio ISD respective websites
- (6) Source: San Antonio Economic Development Foundation Website 05/2017 <http://www.sanantonioedf.com/why-san-antonio/data/>
- (7) Source: San Antonio Economic Development Foundation Website 09/2016 <http://www.sanantonioedf.com/business-profile/major-employers>
- (8) Source: San Antonio Economic Development Foundation Website 05/2015 <http://www.sanantonioedf.com/business-profile/major-employers>
- (9) Source: San Antonio Economic Development Foundation Website 9/12/2014 <http://www.sanantonioedf.com/business-profile/major-employers>
- (10) Source: San Antonio Economic Development Foundation Website 9/4/2013 <http://www.sanantonioedf.com/business-profile/major-employers>

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty*										
Full-time	803	791	812	928	894	895	962	928	916	750
Part-time	2,281	1,934	1,948	2,509	2,118	1,924	1,772	1,556	1,633	1,848
Total	3,084	2,725	2,760	3,437	3,012	2,819	2,734	2,484	2,549	2,598
Percent										
Full-time	26.04%	29.03%	29.42%	27.00%	29.68%	31.75%	35.19%	37.36%	35.94%	28.87%
Part-time	73.96%	70.97%	70.58%	73.00%	70.32%	68.25%	64.81%	62.64%	64.06%	71.13%
Staff and Administrators*										
Full-time	1,812	1,846	1,839	1,770	1,773	1,725	1,808	1,715	1,649	1,479
Part-time	1,470	1,712	1,407	1,810	1,442	1,330	1,682	1,437	1,077	660
Total	3,282	3,558	3,246	3,580	3,215	3,055	3,490	3,152	2,726	2,139
Percent										
Full-time	55.21%	51.88%	56.65%	49.44%	55.15%	56.46%	51.81%	54.41%	60.49%	69.14%
Part-time	44.79%	48.12%	43.35%	50.56%	44.85%	43.54%	48.19%	45.59%	39.51%	30.86%
FTSE**	31,060	33,147	36,714	35,415	34,724	34,953	35,771	35,586	36,031	36,849
FTSE per full-time faculty	38.7	41.9	45.2	38.2	38.8	39.1	37.2	38.3	39.3	49.1
FTSE per full-time staff member	17.1	18.0	20.0	20.0	19.6	20.3	19.8	20.7	21.9	24.9
Average annual full-time faculty salary	\$ 72,041	\$ 73,058	\$ 70,343	\$ 59,931	\$ 62,121	\$ 61,155	\$ 51,316	\$ 52,370	\$ 54,778	\$ 66,680

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

*Faculty/Staff Headcount - Prepared by Human Resources Department

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

Student Classification	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	%																		
00 - 30 hours	31,061	61.9%	33,761	61.9%	35,938	63.0%	32,360	61.7%	31,999	60.9%	31,071	60.5%	30,512	59.1%	28,592	57.3%	29,668	58.1%	30,492	58.2%
31 - 60 hours	13,951	27.8%	15,318	28.1%	15,265	26.8%	14,383	27.4%	14,627	27.8%	14,381	28.0%	14,704	28.5%	14,543	29.2%	14,815	29.0%	15,092	28.8%
Unclassified	2,707	5.4%	3,295	6.0%	2,845	5.0%	2,988	5.7%	3,051	5.8%	3,334	6.5%	3,898	7.5%	4,275	8.6%	5,015	9.8%	5,258	10.0%
> 60 hours*	2,482	4.9%	2,196	4.0%	2,994	5.2%	2,737	5.2%	2,913	5.5%	2,563	5.0%	2,519	4.9%	2,478	5.0%	1,603	3.1%	1,512	2.9%
Total	50,201	100.0%	54,570	100.0%	57,042	100.0%	52,468	100.0%	52,590	100.0%	51,349	100.0%	51,633	100.0%	49,888	100.0%	51,101	100.0%	52,354	100.0%

Source: THECB Prep Online

Semester Hour Load	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	%																		
Less than 3 semester hours	271	0.5%	264	0.5%	289	0.5%	552	1.1%	674	1.3%	853	1.7%	1,614	3.1%	1,101	2.2%	304	0.6%	485	0.9%
3 - 5 semester hours	10,901	21.7%	12,176	22.3%	12,215	21.4%	12,018	22.9%	11,536	21.9%	11,032	21.5%	10,948	21.2%	10,416	20.9%	11,145	21.8%	11,877	22.7%
6 - 8 semester hours	13,742	27.4%	14,934	27.4%	14,706	25.8%	14,064	26.8%	14,489	27.6%	15,367	29.9%	15,196	29.4%	14,215	28.5%	14,707	28.8%	15,018	28.7%
9 - 11 semester hours	9,438	18.8%	9,817	18.0%	10,075	17.7%	10,905	20.8%	11,055	21.0%	9,856	19.2%	9,611	18.6%	9,345	18.7%	9,675	18.9%	9,795	18.7%
12 - 14 semester hours	13,437	26.8%	14,804	27.1%	17,015	29.8%	13,086	24.9%	12,847	24.4%	12,195	23.7%	12,164	23.6%	12,787	25.6%	12,994	25.4%	12,952	24.7%
15 - 17 semester hours	2,105	4.2%	2,274	4.2%	2,405	4.2%	1,723	3.3%	1,846	3.5%	1,871	3.6%	1,952	3.8%	1,850	3.7%	1,972	3.9%	1,988	3.8%
18 and over semester hours	307	0.6%	301	0.6%	337	0.6%	120	0.2%	143	0.3%	175	0.3%	148	0.3%	174	0.3%	304	0.6%	239	0.5%
Total	50,201	100.0%	54,570	100.0%	57,042	100.0%	52,468	100.0%	52,590	100.0%	51,349	100.0%	51,633	100.0%	49,888	100.0%	51,101	100.0%	52,354	100.0%

Average course load

8.5 hrs	8.4 hrs	8.7 hrs	8.3 hrs	8.3 hrs	8.1 hrs	8.0 hrs	8.2 hrs	8.3 hrs	8.2 hrs
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Source: CBM001

Tuition Status	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	%	Number	%	Number	%	Number	%												
Texas resident - In District	39,147	78.0%	43,308	79.4%	45,260	79.3%	41,498	79.1%	41,009	78.0%	40,446	78.8%	41,425	80.2%	39,929	80.0%	41,007	80.2%	42,828	81.8%
Texas resident - Out of District	7,293	14.5%	7,471	13.7%	7,671	13.4%	7,179	13.7%	7,222	13.7%	6,949	13.5%	6,825	13.2%	6,536	13.1%	6,591	12.9%	6,211	11.9%
Non-resident tuition	2,057	4.1%	1,860	3.4%	1,487	2.6%	1,432	2.7%	1,916	3.7%	1,587	3.1%	1,292	2.5%	1,242	2.5%	1,146	2.2%	1,284	2.5%
Tuition exemption	1,037	2.1%	1,263	2.3%	1,734	3.0%	1,497	2.9%	1,490	2.8%	1,435	2.8%	1,165	2.3%	1,337	2.7%	1,541	3.0%	1,198	2.3%
Foreign	667	1.3%	668	1.2%	890	1.6%	862	1.6%	953	1.8%	932	1.8%	926	1.8%	844	1.7%	816	1.6%	833	1.6%
Total	50,201	100.0%	54,570	100.0%	57,042	100.0%	52,468	100.0%	52,590	100.0%	51,349	100.0%	51,633	100.0%	49,888	100%	51,101	100%	52,354	100%

Source: CBM001

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

ALAMO COMMUNITY COLLEGE DISTRICT

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

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		
	Number	%																			
Gender																					
Female	30,387	61%	33,103	61%	33,206	58%	30,413	58%	30,063	57%	29,147	57%	29,433	57%	28,342	57%	29,210	57%	30,003	57%	
Male	19,814	39%	21,467	39%	23,836	42%	22,055	42%	22,527	43%	22,202	43%	22,200	43%	21,546	43%	21,891	43%	22,351	43%	
Total	50,201	100%	54,570	100%	57,042	100%	52,468	100%	52,590	100%	51,349	100%	51,633	100%	49,888	100%	51,101	100%	52,354	100%	

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		
	Number	%																			
Ethnic Origin																					
Multi-Racial	815	2%	931	2%	995	2%	857	2%	840	2%	-	0%	-	0%	-	0%	878	2%	1,382	3%	
White	9,790	20%	11,310	21%	12,142	21%	11,688	22%	12,405	24%	12,518	24%	12,889	25%	13,507	27%	14,157	28%	15,166	29%	
Hispanic	33,413	67%	35,319	65%	36,549	64%	33,379	64%	33,089	63%	32,187	63%	31,980	62%	29,180	58%	30,030	59%	30,679	59%	
African-American	4,207	8%	4,619	8%	4,874	9%	4,279	8%	4,145	8%	3,856	8%	3,935	8%	3,825	8%	3,875	8%	3,263	6%	
Asian	1,317	3%	1,445	3%	1,496	3%	1,405	3%	1,381	3%	1,348	3%	1,382	3%	1,388	3%	1,271	2%	1,244	2%	
Foreign	87	0%	102	0%	128	0%	161	0%	179	0%	275	1%	331	1%	249	0%	236	0%	190	0%	
Native American	106	0%	127	0%	145	0%	111	0%	141	0%	-	0%	-	0%	-	0%	127	0%	132	0%	
Native Hawaiian/Other Pacific Islander	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	83	0%	89	0%	
Ethnic Origin/Race unknown	466	1%	717	1%	713	1%	588	1%	410	1%	1,165	2%	1,116	2%	1,739	3%	444	1%	209	0%	
Total	50,201	100%	54,570	100%	57,042	100%	52,468	100%	52,590	100%	51,349	100%	51,633	100%	49,888	100%	51,101	100%	52,354	100%	

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		
	Number	%																			
Age																					
Under 18	12,112	24%	13,979	26%	13,204	23%	12,803	24%	12,387	24%	11,725	23%	10,343	20%	8,613	17%	8,767	17%	8,809	17%	
18-21	19,248	38%	20,583	38%	22,791	40%	20,386	39%	20,402	39%	19,873	39%	20,560	40%	20,067	40%	20,236	40%	20,212	39%	
22-24	5,611	11%	6,117	11%	6,683	12%	6,147	12%	6,528	12%	6,628	13%	6,758	13%	6,724	13%	6,769	13%	6,876	13%	
25-35	8,930	18%	9,530	17%	9,699	17%	9,001	17%	9,242	18%	9,014	18%	5,885	11%	9,653	19%	9,960	19%	10,630	20%	
36-50	3,578	7%	3,671	7%	3,883	7%	3,423	7%	3,302	6%	3,344	7%	3,164	6%	3,943	8%	4,361	9%	4,770	9%	
51 and over	722	1%	690	1%	782	1%	708	1%	729	1%	765	1%	4,923	10%	888	2%	1,008	2%	1,057	2%	
Total	50,201	100%	54,570	100%	57,042	100%	52,468	100%	52,590	100%	51,349	100%	51,633	100%	49,888	100%	51,101	100%	52,354	100%	

Average age	22.7	22.5	22.6	22.5	22.6	22.7	23.1	23.6	23.8	23.7
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Source: CBM001 and THECB Prep Online.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 17 Transfer Students to Senior Institutions Fall 2021 Students (Unaudited)

Institutions Attended, Fall 2021	Academic	Technical	Tech-Prep	Total	% Students
1 The University of Texas at San Antonio	5,034	320	-	5,354	41.1%
2 Texas A&M University - San Antonio	2,256	266	-	2,522	19.4%
3 Texas State University	1,293	85	-	1,378	10.6%
4 Texas A&M University	771	41	-	812	6.2%
5 The University of Texas at Austin	506	33	-	539	4.1%
6 Texas Tech University	428	46	-	474	3.6%
7 The University of Texas Health Science Center at San Antonio	219	22	-	241	1.9%
8 Texas A&M University - Corpus Christi	200	15	-	215	1.7%
9 The University of Texas at Arlington	135	59	-	194	1.5%
10 University of North Texas	158	16	-	174	1.3%
11 University of Houston	104	27	-	131	1.0%
12 Angelo State University	100	9	-	109	0.8%
13 The University of Texas at Dallas	78	3	-	81	0.6%
14 Sam Houston State University	68	5	-	73	0.6%
15 Tarleton State University	58	10	-	68	0.5%
16 Texas A&M University - Kingsville	50	4	-	54	0.4%
17 Texas Tech University Health Sciences Center	30	19	-	49	0.4%
18 Texas Woman's University	43	4	-	47	0.4%
19 The University of Texas of the Permian Basin	43	1	-	44	0.3%
20 Prairie View A&M University	40	-	-	40	0.3%
21 The University of Texas - Rio Grande Valley	40	-	-	40	0.3%
22 The University of Texas at El Paso	30	4	-	34	0.3%
23 Texas A&M University at Galveston	31	2	-	33	0.3%
24 Texas A&M University - Commerce	25	8	-	33	0.3%
25 Stephen F. Austin State University	29	3	-	32	0.2%
26 Texas Southern University	25	1	-	26	0.2%
27 Lamar University	16	6	-	22	0.2%
28 The University of Texas at Tyler	22	-	-	22	0.2%
29 University of Houston - Victoria	20	1	-	21	0.2%
30 Texas A&M University System Health Science Center	19	1	-	20	0.2%
31 West Texas A&M University	18	1	-	19	0.1%
32 Texas A&M International University	15	-	-	15	0.1%
33 Midwestern State University	9	6	-	15	0.1%
34 University of Houston - Downtown	8	4	-	12	0.1%
35 University of Houston - Clear Lake	11	1	-	12	0.1%
36 The University of Texas Medical Branch at Galveston	10	2	-	12	0.1%
37 Texas A&M University - Central Texas	7	5	-	12	0.1%
38 Texas A&M University - Texarkana	8	-	-	8	0.1%
39 Sul Ross State University - Rio Grande College	8	-	-	8	0.1%
40 University of North Texas Health Science Center	8	-	-	8	0.1%
41 The University of Texas Health Science Center at Houston	6	-	-	6	0.0%
42 Sul Ross State University	3	2	-	5	0.0%
43 University of North Texas at Dallas	4	-	-	4	0.0%
44 The University of Texas M.D. Anderson Cancer Center	2	-	-	2	0.0%
45 Baylor College of Medicine	1	-	-	1	0.0%
46 The University of Texas Health Science Center at Tyler	1	-	-	1	0.0%
Total	11,990	1,032	-	13,022	100.0%

Source: THECB Report ASALFS Students Pursuing Additional Education by Institution, includes only public senior colleges in Texas - Fall 2021

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Academic building equivalent (teaching spaces only)	54.7	51.8	49.6	49.6	51.6	51.5	54.1	54.0	53.1	52.1
Square footage	2,467.0	2,296.0	2,190.0	2,190.0	2,198.0	2,193.0	2,213.0	2,213.0	2,201.0	2,199.0
Library building equivalent	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Square footage	281.0	281.0	281.0	278.0	278.0	278.0	278.0	278.0	278.0	278.0
Dining facilities	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Square footage	64.0	64.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Student support and office space building equivalent	37.3	37.2	35.6	43.2	42.2	42.3	41.7	41.7	41.7	41.7
Colleges - square footage	1,139.0	1,137.0	1,074.0	1,068.0	1,068.0	1,066.0	1,037.0	1,037.0	1,037.0	1,037.0
District support operations - square footage	180.0	180.0	180.0	282.0	102.0	102.0	102.0	102.0	102.0	102.0
Plant facilities	18.1	18.1	18.1	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Square footage	97.0	97.0	97.0	98.0	98.0	98.0	98.0	98.0	98.0	98.0
Parking garages	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	2.0
Square footage	1,064.0	1,064.0	1,064.0	1,064.0	974.0	974.0	974.0	974.0	974.0	645.0
Portable buildings	63.0	63.0	63.0	63.0	65.0	65.0	65.0	65.0	65.0	65.0
Square footage	101.0	101.0	101.0	101.0	104.0	104.0	104.0	104.0	104.0	104.0
Athletic facilities - building equivalent	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Square footage	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0
Fitness centers	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Tennis courts	10.0	10.0	10.0	10.0	18.0	18.0	18.0	18.0	18.0	18.0
Swimming pools	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Soccer fields	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fitness trails	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Putting green	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Rock climbing wall	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Ropes course	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
University Center	-	-	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Square footage	-	-	-	72.8	72.8	72.8	72.8	72.8	72.8	72.8
Leased space	6.0	6.0	7.0	8.0	8.0	9.0	9.7	9.7	9.0	8.0
Square footage	179.0	179.0	194.0	201.0	201.0	159.0	124.0	124.0	124.0	124.0
Total Count	192.1	189.1	186.2	196.0	198.0	199.0	201.7	201.6	200.0	197.0
Total square footage (in thousands)	5,817.0	5,644.0	5,489.0	5,662.8	5,403.8	5,353.8	5,310.8	5,310.8	5,298.8	4,969.0
Transportation										
Cars	47.0	49.0	42.0	40.0	48.0	47.0	49.0	50.0	44.0	38.0
Trucks/vans	61.0	61.0	69.0	85.0	101.0	85.0	93.0	79.0	78.0	77.0
Fire trucks	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-	-
Buses	2.0	2.0	4.0	4.0	4.0	3.0	3.0	3.0	2.0	2.0
Electric cars	1.0	1.0	2.0	1.0	2.0	2.0	2.0	7.0	7.0	7.0
Electric vehicle charging stations	10.0	10.0	14.0	20.0	16.0	16.0	16.0	16.0	16.0	-
ADA parking spots	509.0	509.0	509.0	628.0	608.0	582.0	582.0	529.0	529.0	511.0
Non ADA parking spots	15,762.0	15,762.0	14,956.0	16,923.0	16,479.0	16,395.0	16,241.0	15,696.0	15,696.0	15,562.0

Source: Alamo Colleges Facilities Department



Single Audit Section



**Independent Auditor's 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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alamo Community College District (the District) as of and for the year ended August 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2023. The District is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College.

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

Report on Internal Control over Financial Reporting

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

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

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

The Board of Trustees
Alamo Community College District

Report on Compliance and Other Matters

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

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 9, 2023



**Independent Auditor's Report on Compliance for
Each Major Federal Program and Report on Internal Control over
Compliance in Accordance with the Uniform Guidance**

To the Board of Trustees
Alamo Community College District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Alamo Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2022. The District is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College. The District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

The District's financial statements include the operations of ACCD Public Facility Corporation and Alamo Colleges Foundation, Inc., which are discretely presented component units of the District. Our audit, described below, did not include the operations of these discretely presented component units because these discretely presented component units were audited by other auditors.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Weaver and Tidwell, L.L.P.
1406 Wilson Road, Suite 100 | Conroe, Texas 77304
Main: 936.756.8127

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

The Board of Trustees
Alamo Community College District

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying federal schedule of findings and questioned costs as items 2022-001 and 2022-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying federal schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 9, 2023

**ALAMO COMMUNITY COLLEGE DISTRICT
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2022**

Section I. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes _____ None Reported

An unmodified opinion was issued on compliance for all major programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Program</u>
Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work Study Grants
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.425 C, E, F, J, L, S	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

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

**ALAMO COMMUNITY COLLEGE DISTRICT
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2022**

Section II. Financial Statement Findings

No financial statement findings.

Section III. Federal Award Findings and Questioned Costs

Finding 2022-001: Enrollment Reporting Submissions for Graduates

U.S. Department of Education

Student Financial Assistance Cluster

Program Name(s): Federal Pell Grant Program, ALN 84.063

and Federal Direct Student Loans, ALN 84.268

Award Numbers: P063P216822 (Palo Alto College); P063P215081, P268K225081 (San Antonio College)

Compliance Requirement: Special Tests and Provisions – Enrollment Reporting

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: According to the Office of Management and Budget (OMB) *2022 Compliance Supplement*, institutions are required to report enrollment status information under the Pell Grant and the Direct Student Loan programs via the National Student Loan Data System (NSLDS) in a timely and accurate manner. The Department of Education (ED) requires the enrollment information to be submitted at least every 60 days.

Condition and Context: As part of our testing of the District's compliance with enrollment reporting requirements, it was noted that for 4 students (all of whom were Pell Grant recipients and 1 was also a Direct Loan recipient; students were attendees of Palo Alto College and San Antonio College) out of the total of 40 students sampled, the District did not ensure that the students' enrollment status of "Graduated" was reported to NSLDS. The sample size to be tested was not determined using a statistical sampling approach.

Cause: The submission of enrollment information is a systemic process in which a report is generated in Banner, the District's ERP system; the District sends that information to the National Student Clearinghouse (NSC), who then submits it to the NSLDS. For students who have graduated, the District uses a free service from NSC called DegreeVerify, through which NSC reviews the students on the District's "Graduate" file to determine whether it can create a "Graduated" enrollment record. An exceptions report is then created within NSC listing those students whose status could not be updated to "graduated". The District is then required to review the exceptions report and resend the list to NSC indicating that the student's status does in fact need to be updated to "Graduated." The District did not review the exception reports for the current year, which resulted in the 4 students noted above not having their "Graduated" status reported to NSLDS by NSC.

Effect or Potential Effect: The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Complete and accurate reporting of students' enrollment information to NSLDS is critical, as this information is used to determine the subsidy status of certain loans and for other purposes. The lack of timely enrollment reporting could result in either a lack of timely repayments by the borrower or the student being inappropriately moved into loan repayment status. See "Condition" above for instances of noncompliance identified in the current period which were not identified as material noncompliance.

**ALAMO COMMUNITY COLLEGE DISTRICT
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2022**

Questioned Costs: There are no questioned costs.

Repeat Finding: No

Recommendation: We recommend that management implement a process to review the DegreeVerify exceptions report and indicate to NSC that student statuses need to be updated to "Graduated." This process should be performed with sufficient regularity to ensure that enrollment information reported to the NSLDS is complete and accurate.

Views of Responsible Officials and Planned Corrective Actions: See corrective action plan

Finding 2022-002: Accuracy of Periodic Grant Reporting

U.S. Department of Education

Program Name: Education Stabilization Fund - Higher Education Emergency Relief Fund,
ALN 84.425

Award Numbers: P425F202774 and P425S210113 (Northeast Lakeview College)

Compliance Requirement: Reporting

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: According to the Office of Management and Budget (OMB) 2022 *Compliance Supplement*, the U.S. Department of Education (ED) requires institutions to publicly report certain information under Higher Education Emergency Relief Fund (HEERF) Subprogram E in one report and HEERF Subprograms F, J, and L in a second report. Each report is required to be accurate and posted each quarter to the institution's website within specified timeframes. For the quarterly report under Subprograms F, J, and L, institutions are required to report total funds awarded and total amount expended under each Subprogram.

Condition and Context: In our testing of the District's quarterly reporting under HEERF, we noted that 1 out of a sample of 3 quarterly reports tested under Subprograms F, J, and L, which was posted by Northeast Lakeview College, did not include accurate amounts of total funds spent under each Subprogram. The sample size to be tested was not determined using a statistical sampling approach.

Per the Office of Postsecondary Education (OPE) Reporting and Data Collection resource page, institutions are encouraged but not required to submit HEERF quarterly reports to the ED by emailing them to a designated ED email address. Therefore, it should be noted that the public is the primary audience for the HEERF quarterly reports.

Cause: Although controls were in place at each college requiring review of the quarterly reports before being posted to their respective websites, this review process failed to detect the reports' omissions and inaccuracies.

Effect or Potential Effect: The public can potentially be misinformed about total amount spent under each Subprogram due to the inaccurate information being reported on the colleges' websites. In addition, ED can potentially be misinformed about student data and use of funds under HEERF. See "Condition" above for instances of noncompliance identified in the current period which were not identified as material noncompliance.

Questioned Costs: There are no questioned costs.

**ALAMO COMMUNITY COLLEGE DISTRICT
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2022**

Repeat Finding: Yes, 2021-003

Recommendation: We recommend that management ensure that those charged with reviewing the quarterly reports have a clear understanding of the relevant reporting requirements in order to ensure that the reports are complete and accurate prior to being posted. In addition, the reports should be reconciled to the corresponding amounts in the District's financial records prior to posting.

Views of Responsible Officials and Planned Corrective Actions: See corrective action plan

Section IV. Prior Year Audit Findings

See Summary Schedule of Prior Audit Findings.



From: Daniel Ayala, District Director Center of Student Information

Subject: Corrective Action Plan for Audit Finding 2022-001

Finding 2022-001: Enrollment Reporting Submissions for Graduates

Views of Responsible Officials and Planned Corrective Actions

Due to a changes in record processing and the addition of a new audit report at the National Student Clearinghouse (NSC), additional steps were needed at the institutional level to guarantee the accurate reporting of student graduation status. To ensure correct and comprehensive reporting of students as “graduated”, the Alamo Colleges District Center for Student Information (CSI) has implemented a three step process: 1) submitting a sixth submission audit per semester (recommended by NSC) which will provide graduated student information to NSC; 2) review of the *DegreeVerify* exceptions report each semester to identify any needed corrections and/or updates to report to NSC; and 3) completion and review of these processes will be done by a CSI Enrollment Service Professional and CSI Director and documented (signed off) on the monthly compliance certificate form. With these processes in place, CSI will be in line with NSC recommendations and allow the National Student Loan Data System (NSLDS) to align with correct graduation dates. At this time, all needed corrections to student “graduated” status have been completed.

Implementation Date: November 2022

Responsible Persons: Dr. Adelina S. Silva, Vice Chancellor of Student Success;



From: Rudy Farias, Director of Strategic Initiatives – GPM HEERF Institutional

Subject: Corrective Action Plan for Audit Finding 2022-002

Finding 2022-002: Accuracy of Periodic Grant Reporting

Views of Responsible Officials and Planned Corrective Actions

The 2021 Quarter 3 quarterly report that included the errors identified by the auditors was corrected and re-posted to Northeast Lakeview College's (NLC) Higher Education Emergency Relief Fund (HEERF) webpage site on December 13, 2022.

To ensure all NLC responsible management have a clear understanding of the relevant reporting requirements, all have received and reviewed a copy of the HEERF Quarterly Reporting PowerPoint Presentation and accompanying webinar notes from the June 23, 2022 Department of Education technical assistance webinar, and the Quarterly Reporting Tips posted on the HEERF Reporting and Data Collection website (<https://www2.ed.gov/about/offices/list/ope/heerfreporting.html>). Finally, NLC management has included the following external verification step in the process to ensure accuracy of methodology and alignment of financial records:

- The Grant Program Manager for the HEERF Institutional subaward will implement a two-step verify process prior to submission of the report for posting. Step 1 is an initial review and approval of report accuracy by the Vice President of Student Success followed by Step 2, a final review and authorization to submit the report for posting by the Vice President of College Services.

Implementation Date: January 2023

Responsible Persons: Mr. Warren Hurd, Vice President of College Services; Dr. Tangila Dove, Vice President of Student Success; and Rudy Farias, Director of Strategic Initiatives

**Independent Auditor's Report on Compliance for
Each Major State Program and Report on Internal Control over
Compliance Required by the Texas Grant Management Standards**

To the Board of Trustees
Alamo Community College District

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Alamo Community College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *Texas Grant Management Standards* that could have a direct and material effect on each of the District's major state programs for the year ended August 31, 2022. The District is comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College. The District's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

The District's financial statements include the operations of ACCD Public Facility Corporation and Alamo Colleges Foundation, Inc., which are discretely presented component units of the District. Our audit, described below, did not include the operations of these discretely presented component units because these discretely presented component units were audited by other auditors.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the *Texas Grant Management Standards* (TxGMS). Our responsibilities under those standards and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TxGMS, but not for the purpose of expressing an opinion on the effectiveness the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

The Board of Trustees
Alamo Community College District

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 9, 2023

**ALAMO COMMUNITY COLLEGE DISTRICT
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2022**

Section I. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal Control over Financial reporting:

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

State Awards

Internal control over major programs:

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

An unmodified opinion was issued on compliance for all major programs.

Any audit findings disclosed that are required to be reported in accordance with the *Texas Grant Management Standards*?

_____ Yes X No

Identification of major programs:

Contract Number(s)
N/A

Program
Texas Educational Opportunity Grant

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

\$750,000

**ALAMO COMMUNITY COLLEGE DISTRICT
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2022
(CONTINUED)**

Section II. Financial Statement Findings

No financial statement findings.

Section III. State Award Findings and Questioned Costs

No state award findings and questioned costs.

Section IV. Prior Year Audit Findings

See summary schedule of prior audit findings



Summary Schedule of Prior Audit Findings

Section I: Financial Statement Finding

Prior Audit Finding Reference: Finding 2021-001 - Insufficient Consideration of Applicable GAAP for Certain Transactions and Presentation Issues

Fiscal Year: FY2021

Status of Prior Finding: Planned corrective action completed this fiscal year (FY2022)

Section II: Federal Award Findings

Prior Audit Finding Reference: Finding 2021-002 – Completeness of Enrollment Reporting Submissions

Fiscal Year: FY2021

Status of Prior Finding: Planned corrective action completed this fiscal year (FY2022)

Prior Audit Finding Reference: Finding 2021-003 – Accuracy of Periodic Grant Reporting

Fiscal Year: FY2021

Status of Prior Finding: Partially corrected this fiscal year (FY2022). The components of the finding related to 1) not posting the HEERF quarterly reports by the required deadlines and 2) not disclosing the methodology used to determine which students receive emergency financial aid grants and how much they receive were corrected this fiscal year. For the component of the finding related to inaccurate reporting of amounts of total funds awarded and/or total amount spent under each HEERF subprogram, the two colleges with this finding in fiscal year 2021 completed the corrective action plan and did not have a repeat finding in fiscal year 2022. However, despite having completed a review of the training described in the prior year corrective action plan, a *different* college inadvertently posted a report that included incomplete expenditure data. The College employees and management responsible for reviewing the quarterly reports have received and reviewed a copy of the webinar presentation and additional guidance published by the Department of Education relevant to preparing the HEERF quarterly reports, and the responsibility for preparing the report has been re-assigned to an employee with extensive grant compliance and reporting experience. In addition, the College has implemented a two-step review and verification process that will be required prior to posting of the HEERF quarterly reports, which will be implemented in fiscal year 2023 as further described in the corrective action plan for Finding 2022-002.

Section III: State Award Finding

Prior Audit Finding Reference: Finding 2021-004 – Accuracy of Periodic Grant Reporting

Fiscal Year: FY2021

Status of Prior Finding: Planned corrective action completed this fiscal year (FY2022)



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