

R. D. Harrison, CPA

Certified Public Accountant

Member American Institute of Certified Public Accountants
Registered with the Public Company Accounting Oversight Board

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)

AUDITED
FINANCIAL STATEMENTS

Year Ended
December 31, 2013

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Contents
December 31, 2013 and 2012

Page

Audited Financial Statements (Modified Cash Basis):

Independent Auditor's Report	1
Statement of Assets, Liabilities and Net Assets (Modified Cash Basis)	3
Statement of Support, Revenue and Expenses (Modified Cash Basis).....	4
Statement of Changes in Cash Arising From Cash Transactions (Modified Cash Basis).....	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
Alamo Colleges Foundation, Inc.

I have audited the accompanying financial statements of Alamo Colleges Foundation, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets (modified cash basis) as of December 31, 2013 and 2012, and the related statements of support, revenue and expenses (modified cash basis) and changes in cash arising from cash transactions (modified cash basis) for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Alamo Colleges Foundation, Inc. as of December 31, 2013 and 2012, and its support, revenue, and expenses and changes in cash for the years then ended in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.



R. D. Harrison, CPA
Certified Public Accountant
San Antonio, Texas

May 7, 2014

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Statement of Assets, Liabilities and Net Assets
(Modified Cash Basis)
December 31, 2013 and 2012

	December 31	
	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Certificates of Deposit	\$ 2,959,551.	\$ 2,667,265.
Investments:		
Fixed Income Securities	1,708,448.	3,518,450.
Mutual Funds	4,902,272.	2,238,848.
Marketable Securities	<u>8,469,035.</u>	<u>6,990,319.</u>
TOTAL ASSETS	<u>\$ 18,039,306.</u>	<u>\$ 15,414,882.</u>
LIABILITIES AND NET ASSETS		
Liabilities	\$ -	\$ -
NET ASSETS		
Unrestricted	119,759.	91,715.
Temporarily restricted	5,651,836.	3,748,693.
Permanently restricted - Endowments	<u>12,267,711.</u>	<u>11,574,474.</u>
TOTAL NET ASSETS	<u>18,039,306.</u>	<u>15,414,882.</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,039,306.</u>	<u>\$ 15,414,882.</u>

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

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Statement of Support, Revenue and Expenses
(Modified Cash Basis)
Years ended December 31, 2013 and 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets at January 1, 2012	\$ (382,721)	\$ 2,744,566.	\$ 10,405,601.	\$12,767,446.
Support and Revenue:				
Contributions	99,835.	2,031,185.	1,143,873.	3,274,893.
Interest and Dividend Income	18,947.	266,197.	-	285,144.
Gain on Investments	474,263.	366,085.	-	840,348.
Net Asset Released From Restrictions	<u>1,634,340.</u>	<u>(1,634,340)</u>	<u>-</u>	<u>-</u>
Total Revenue	2,227,385.	1,029,127.	1,143,873.	4,400,385.
Expenses:				
Program	1,620,912.	-	-	1,620,912.
General and Administrative	130,805.	-	-	130,805.
Fund-raising	<u>1,232.</u>	<u>-</u>	<u>-</u>	<u>1,232.</u>
Total Expenses	<u>1,752,949.</u>	<u>-</u>	<u>-</u>	<u>1,752,949.</u>
Increase in Net Assets	474,436.	1,029,127.	1,143,873.	2,647,436.
Designated Transfers	<u>-</u>	<u>(25,000)</u>	<u>25,000.</u>	<u>-</u>
Net Assets at December 31, 2012	91,715.	3,748,693.	11,574,474.	15,414,882.
Support and Revenue:				
Contributions	150,541.	2,976,448.	482,527.	3,609,516.
Interest and Dividend Income	-	236,226.	-	236,226.
Gain on Investments	-	1,776,115.	-	1,776,115.
Net Asset Released From Restrictions	<u>2,899,936.</u>	<u>(2,899,936)</u>	<u>-</u>	<u>-</u>
Total Revenue	3,050,477.	2,088,853.	482,527.	5,621,857.
Expenses:				
Program	2,911,891.	-	-	2,911,891.
General and Administrative	84,150.	-	-	84,150.
Fund-raising	<u>1,392.</u>	<u>-</u>	<u>-</u>	<u>1,392.</u>
Total Expenses	<u>2,997,433.</u>	<u>-</u>	<u>-</u>	<u>2,997,433.</u>
Increase in Net Assets	53,044.	2,088,853.	482,527.	2,624,424.
Designated Transfers	<u>(25,000)</u>	<u>(185,710)</u>	<u>210,710.</u>	<u>-</u>
Net Assets at December 31, 2013	<u>\$ 119,759.</u>	<u>\$ 5,651,836.</u>	<u>\$ 12,267,711.</u>	<u>\$18,039,306.</u>

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

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Statement of Changes in Cash Arising From Cash Transactions
(Modified Cash Basis)
December 31, 2013 and 2012

	December 31	
	<u>2013</u>	<u>2012</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 2,624,424.	\$ 2,647,436.
Adjustments to reconcile increase in net assets to net Cash provided by operating activities:		
Contributions restricted for endowments	(482,527)	(1,143,873)
Net (gain)/loss on investments	<u>(1,776,115)</u>	<u>(840,348)</u>
Net cash provided by operating activities	365,782.	663,215.
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment purchases and sales, net	(556,023)	(3,756,125)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for endowments	<u>482,527.</u>	<u>1,143,873.</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	292,286.	(1,949,037)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,667,265.</u>	<u>4,616,302.</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,959,551.</u>	<u>\$ 2,667,265.</u>

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

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 1 – Organization

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

Note 2 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on a modified cash basis of accounting, which is on the basis of cash receipts and disbursements, except for the inclusion of unrealized gains and losses on investments.

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

- *Unrestricted Net Assets* – These are net assets that are not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.
- *Temporarily Restricted Net Assets* – 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.
- *Permanently Restricted Net Assets* – These are net assets required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

In addition, the Foundation is required to present a statement of cash flows.

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. There are no significant estimates included in the financial statements for 2013 and 2012.

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

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

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 assets, liabilities and net assets. Realized and unrealized gains and losses are reported in the statements of support, revenue and expenses as changes in temporarily restricted net assets, unless restricted by donor or law. Donated marketable securities are recorded as contributions at their estimated fair value at the date of the donation.

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

Under the laws of the State of Texas, the Board of Trustees 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 Trustees determines the amount of such appropriation annually. The aggregate accumulated unallocated gains and losses on donor-restricted endowment net asset balances are included in temporarily restricted net assets in the financial statements.

Contributions receivable

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

Contributions receivable are amounts recorded for unconditional or conditional promises to give by third parties. Because the Foundation reports under the modified cash basis, no balances for contributions receivable are recorded, and contributions receivable are only recorded as revenues when fully realized. Contributions are recorded when received in cash as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of the donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of support, revenue and expenses as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

Fixed assets

The Foundation operates from facilities provided by the Alamo Colleges and does not own any buildings, equipment, or other capital assets. See Note 7 for an estimated amount of in-kind contributions provided by the Alamo Colleges that includes an estimate of donated rent.

Presentation of expenses

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

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

Income Taxes

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

The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Donated materials, services, and facilities

The salaries of certain Foundation employees were donated by the Alamo Colleges. The Alamo Colleges also provides office space and equipment at no cost to the Foundation. The value of these contributed services is provided in Note 7. Because the Foundation is on a modified cash basis, the value of these contributed services has not been reflected in the financial statements.

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue recognition

The Foundation records earned revenues on the cash basis when received, with the exception of unrealized gains which are included in the financial statements. Contributions are recorded when paid. Contributions paid with conditions are recognized as revenue when the conditions have been substantially met.

Note 3 – Investments

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

	2013		2012	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Fixed income securities	\$ 1,741,295.	\$ 1,708,448.	\$ 3,390,102.	\$ 3,518,450.
Mutual funds	4,980,917.	4,902,272.	2,235,296.	2,238,848.
Marketable securities	<u>6,543,575.</u>	<u>8,469,035.</u>	<u>6,507,105.</u>	<u>6,990,319.</u>
Total	<u>\$13,265,787.</u>	<u>\$15,079,755.</u>	<u>\$12,132,503.</u>	<u>\$12,747,617.</u>

Net investment income is comprised of the following:

	<u>2013</u>	<u>2012</u>
Interest and dividend income (net of investment expense in 2013)	\$ 236,226.	\$ 285,144.
Gain on investments	<u>1,776,115.</u>	<u>840,348.</u>
Total	<u>\$ 2,012,341.</u>	<u>\$ 1,125,492.</u>

Note 4 – General and Administrative Expenses:

General and administrative expenses consist of expenditures for the Foundation’s daily operations and coordination of program activities as follows:

	<u>2013</u>	<u>2012</u>
Investment advisor fees	\$ -	\$ 80,787.
Accounting	10,000.	8,000.
Software acquisition and support	68,719.	33,595.
Office	<u>5,431.</u>	<u>8,423.</u>
Total	<u>\$ 84,150.</u>	<u>\$ 130,805.</u>

In 2013 the Foundation elected to have its investment expenses paid by the earnings from investments. In prior years, investment expenses were paid as a general and administrative expense. Total investment expenses in 2013 were \$124,770.

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 5 – Endowment Net Assets

The Foundation's endowment consists of 153 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets 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. The duration and preservation of the fund
2. The purposes of the Board-designated and donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

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

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 5 – Endowment Net Assets, continued

Endowment net assets and classifications of related unappropriated income at December 31, 2013 and 2012:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
As of December 31, 2013			
Endowment Funds	<u>\$3,047,415.</u>	<u>\$12,267,711.</u>	<u>\$ 15,315,126</u>
As of December 31, 2012			
Endowment Funds	<u>\$1,388,579.</u>	<u>\$11,574,474.</u>	<u>\$ 12,963,053.</u>

The changes in endowment net assets and related income classification for the year ended December 31, 2013 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning of the year	\$ 1,388,579.	\$ 11,574,474.	\$ 12,963,053.
Contributions	-	482,527.	482,527.
Investment return:			
Interest and dividends	236,226.	-	236,226.
Gain/loss on investments	<u>1,776,115.</u>	<u>-</u>	<u>1,776,115.</u>
Total revenues	2,012,341.	482,527.	2,494,868.
Designated transfer	(33,604)	210,710.	177,106.
Deductions:			
Net assets released from restrictions	<u>(319,901)</u>	<u>-</u>	<u>(319,901)</u>
Increase in net assets	<u>1,658,836</u>	<u>693,237.</u>	<u>2,352,073</u>
End of year	<u>\$ 3,047,415.</u>	<u>\$ 12,267,711.</u>	<u>\$ 15,315,126.</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Foundation to retain as a fund of perpetual duration.

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 5 – Endowment Net Assets, continued

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

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

Under the laws of the State of Texas, the Board of Trustees may appropriate for 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 Trustees determines the amount of such appropriation annually. The rate for 2013 was 2.5%. The rate for 2014 has been set at 4.5%.

Note 6 – Fair Value of Financial Instruments

The carrying amounts of all applicable asset and liability financial instruments reported in the statements of assets, liabilities and net assets approximate their fair values at December 31, 2013 and 2012. Fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties.

The Foundation has categorized its financial instruments, based on the priority of inputs used in related valuation techniques, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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

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

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 6 – Fair Value of Financial Instruments, continued

The fair value hierarchy of investments at December 31, 2013 follows:

	2013				<u>2012</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	
Fixed Income Securities	\$ -	\$ 1,708,448.	\$ -	\$ 1,708,448.	\$ 3,518,450.
Mutual Funds	4,902,272.	-	-	4,902,272.	2,238,848.
Marketable Securities	<u>8,469,035.</u>	<u>-</u>	<u>-</u>	<u>8,469,035.</u>	<u>6,990,319.</u>
Total	<u>\$13,371,307.</u>	<u>\$ 1,708,448.</u>	<u>\$ -</u>	<u>\$15,079,755.</u>	<u>\$12,747,617.</u>

Note 7 – Support Agreement and Related Party Transactions

By agreement, the Alamo Colleges provide administrative support for the Foundation activities at a level determined by the Alamo Colleges to be appropriate, but only to the extent of availability of funds within the Alamo Colleges’ budget. Administrative support provided includes office space and executive director and staff for the Foundation. The total support provided by the Alamo Colleges to the Foundation in the fiscal year ended December 31, 2013 and 2012 was valued at approximately \$506,000 and \$479,000, respectively. These amounts have not been recorded in the modified cash basis financial statements.

From time to time the Foundation remits scholarship funds to the Alamo Colleges to cover tuition, books, and other student fees for specified students of the Alamo Colleges. During the years ended December 31, 2013 and 2012, the Foundation remitted the total of \$1,488,883 and \$1,535,253 to the Alamo Colleges to fund approximately 1,400 and 1,500 scholarships respectively. The total scholarship fund due from the Foundation to the Alamo Colleges at December 31, 2013 and 2012 was \$-0- and \$76,077, respectively. These amounts have not been included as liabilities in the financial statements.

Note 8 – Future Commitments

At December 31, 2013, outstanding donor match commitments for the next five years and thereafter are as follows:

Year Ended December 31,	
2014	\$ 25,000
2015	25,000
2016	25,000
2017	25,000
Thereafter	<u>100,000</u>
Total	<u>\$ 200,000.</u>

ALAMO COLLEGES FOUNDATION, INC.
(A Texas nonprofit Foundation)
Notes to Financial Statements
December 31, 2013 and 2012

Note 9 – 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.

Note 10 – Restricted Title V Funds

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

Note 11 – Unrestricted Net Assets

Unrestricted net assets are comprised of net assets that are not subject to donor-imposed stipulations. The balances comprising unrestricted net assets as of December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Undesignated/unrestricted net assets	<u>\$ 119,759.</u>	<u>\$ 91,715.</u>

Note 12 – Subsequent Events

Management has evaluated subsequent events through May 7, 2014 the date financial statements were available to be issued. No changes are necessary to be made to the financial statements as a result of this evaluation.