

AMARILLO COLLEGE
Amarillo, Texas

ANNUAL FINANCIAL REPORT
August 31, 2012 and 2011

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**AMARILLO COLLEGE
ORGANIZATIONAL DATA
August 31, 2012**

Board of Regents

	<u>Officers</u>	Term Expires <u>May</u>
John D. Hicks	Chairperson	2017
Don L. Nicholson	Vice Chairperson	2015
Carroll M. Forrester	Secretary	2017
	<u>Members</u>	
Dr. Paul Proffer	Amarillo, Texas	2013
Mary Jane Nelson	Amarillo, Texas	2013
Michele Fortunato	Amarillo, Texas	2017
Dr. Gene Norman	Amarillo, Texas	2015
H. Bryan Poff	Amarillo, Texas	2013
Dr. David C. Woodburn	Amarillo, Texas	2013

Key Officers

Dr. Paul Matney	President
Robert Austin	Vice President of Student Affairs
Terry Berg	Vice President of Business Affairs
Dr. Russell Lowery-Hart	Vice President of Academic Affairs
Danita McAnally	Chief of Planning and Advancement
Ellen Green	Chief of Communication and Marketing
Lee Colaw	Chief Information Officer

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Independent Auditor's Report

Board of Regents
Amarillo College
Amarillo, Texas

We have audited the accompanying basic financial statements of Amarillo College (the College) as of and for the years ended August 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2012 and 2011, and its changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 8 through 14 be presented to supplement the basic financial statements. Such information, 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

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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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the College. The remaining supplemental information listed in the table of contents, Schedules A, B, C and D, and the Statistical Supplement, are likewise presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule E, and Schedule of Expenditures of State of Texas Awards, Schedule F, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Statistical Supplement has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Ermos. McMillan, Mitchell & Shennum, PLLC

Amarillo, Texas
November 27, 2012

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

INTRODUCTION

The 2012 fiscal year was the eleventh fiscal year that Amarillo College (the College) has presented financial statements in the format required by Governmental Accounting Standards Board (GASB) Statements No. 34 and 35. In the past, audit reports had the financial statements differentiating between the separate funds and fund groups of the College's general ledger. Under the new format, Exhibits 1, 2, and 3 present the financial data from all funds consolidated into a single column.

Exhibit 1, the Statements of Net Assets corresponds to the Balance Sheet on prior year statements. This exhibit presents the assets, liabilities, and net assets of the College in a single columnar format as of the end of the fiscal year.

Exhibit 2, the Statements of Revenues, Expenses, and Changes in Net Assets presents the activity that occurred in the assets, liabilities, and net assets for the fiscal year that resulted in the presentation of those items on Exhibit 1. Local ad valorem taxes assessed by the College, investment income, Title IV financial aid programs and state appropriations are reported as non-operating revenues.

Exhibit 3, the Statements of Cash Flows presents the inflow and outflow of cash collected and disbursed by the College for the fiscal year.

Schedule A, the Schedule of Operating Revenues presents a detailed list of the operating revenues, classified as Educational Activities (Unrestricted, Restricted) and Auxiliary Enterprises.

Schedule B, the Schedule of Operating Expenses by Object details the expenditures for the fiscal year classified by function (element of cost) and by natural (object code) classification.

Schedule C, the Schedule of Nonoperating Revenues and Expenses provides detail for the fiscal year classified as Unrestricted, Restricted and Auxiliary Enterprises.

Schedule D, the Schedule of Net Assets by Source and Availability provides a reconciliation of fund balances to net assets as well as funds available for current operations.

Schedule E, the Schedule of Expenditures of Federal Awards provides detail for the fiscal year for expenditures of federal financial assistance.

Schedule F, the Schedule of Expenditures of State of Texas Awards provides detail for the fiscal year for expenditures of state financial assistance.

CONDENSED COMPARATIVE FINANCIAL INFORMATION

This is the eleventh year that the College has prepared these financial statements in the GASB 34/35 format; following are the comparative financial statements for fiscal years 2012, 2011 and 2010:

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Assets - Capital Net	\$ 119,652,063	\$ 113,813,600	\$ 104,345,324
Total Assets - Noncapital	71,584,047	59,150,709	73,836,381
Total Assets	<u>191,236,110</u>	<u>172,964,309</u>	<u>178,181,705</u>
Total Liabilities - Long Term	74,967,383	58,224,800	60,122,144
Total Liabilities - Other	14,187,423	14,001,272	18,861,901
Total Liabilities	<u>89,154,806</u>	<u>72,226,072</u>	<u>78,984,045</u>
Net Assets - Capital	61,057,292	65,464,050	66,184,067
Net Assets - Restricted	14,120,638	11,118,942	11,017,865
Net Assets - Unrestricted	26,903,374	24,155,245	21,995,728
Total Net Assets	<u>\$ 102,081,304</u>	<u>\$ 100,738,237</u>	<u>\$ 99,197,660</u>
Operating Revenues			
Tuition and Fees (Net of Discounts)	\$ 15,109,006	\$ 13,169,884	\$ 12,778,174
Grants and Contracts	9,234,200	9,838,737	10,937,391
Other Operating Revenues	613,463	739,094	765,263
Auxiliary Enterprises (Net of Discounts)	6,950,145	6,907,166	7,182,532
Total Operating Revenues	<u>31,906,814</u>	<u>30,654,881</u>	<u>31,663,360</u>
Operating Expenses			
Instruction	30,255,763	30,565,313	31,266,193
Public Service	3,401,869	3,616,734	3,535,722
Academic Support	2,675,556	3,316,197	3,290,820
Student Services	3,984,782	4,084,077	3,912,124
Institutional Support	12,586,316	12,321,987	12,175,928
Operation and Maintenance of Plant	7,411,238	7,168,504	8,103,917
Scholarships and Fellowships	11,832,993	15,328,731	13,418,359
Auxiliary Enterprises	6,576,563	6,595,472	6,741,457
Depreciation	4,993,630	4,568,277	4,145,061
Total Operating Expenses	<u>83,718,710</u>	<u>87,565,292</u>	<u>86,589,581</u>
Operating Loss	<u>(51,811,896)</u>	<u>(56,910,411)</u>	<u>(54,926,221)</u>
Nonoperating Revenues (Expenses)			
State Allocations	18,321,957	21,176,844	21,458,092
Ad Valorem Taxes	19,208,804	18,881,483	18,159,438
Federal Revenue, Nonoperating	17,424,307	20,067,090	17,152,657
Investment Income (Net)	444,440	570,613	334,387
Interest on Capital - Related Debt	(2,401,694)	(2,429,702)	(1,959,128)
Other Nonoperating Revenue (Expenses)	3,111,021	184,660	49,289
Net Nonoperating Revenues	<u>56,108,835</u>	<u>58,450,988</u>	<u>55,194,735</u>
Special Item			
Impairment loss on buildings	<u>(2,953,872)</u>	<u>-</u>	<u>(4,473,025)</u>
Increase (Decrease) in Net Assets	1,343,067	1,540,577	(4,204,511)
Beginning Net Assets	<u>100,738,237</u>	<u>99,197,660</u>	<u>103,402,171</u>
Ending Net Assets	<u>\$ 102,081,304</u>	<u>\$ 100,738,237</u>	<u>\$ 99,197,660</u>

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

REVENUES

State Appropriations – State appropriations for educational and general state support have been declining. (See Schedule C.)

<u>Year</u>	<u>State Appropriations</u>	<u>Reduction from Prior Year</u>	<u>% Change</u>
2009	\$ 17,153,265	\$ –	0.0%
2010	16,049,851	1,103,414	-6.4%
2011	15,893,223	156,628	-0.9%
2012	15,320,559	572,664	-3.6%

Subsequently, the 2013 state appropriations have been reduced by 1.9% or \$295,000.

Auxiliary Enterprises – Profits from the College's auxiliary enterprises remain steady, which includes the operation of Family Housing at the East Campus and the operation of the campus bookstores. For several years profit from auxiliary enterprises has been used to supplement the operation of the College's physical plant.

Investment Income – From 2003 to 2007 interest rates rose, increasing investment revenue; during 2008 interest rates started declining and continued to do so through 2010. During 2011 investment income increased slightly, but then fell during the 2012 fiscal year.

Ad Valorem Tax Base – The Amarillo Junior College District property appraisal increased \$195 million or 1.9% from the 2011 tax year to the 2012 tax year; and \$205 million or 2.02% from the 2010 tax year to the 2011 tax year; and \$67 million or 0.67% from the 2009 tax year to the 2010 tax year. The increase is made up of new properties, improvements to existing properties, and increased valuations.

With the passage of the bond initiative in November of 2007, and the subsequent sale of \$68.3 million of construction bonds, the total tax rate for the 2012 tax year was set at \$.19950 per \$100 valuation. The maintenance and operations portion of the tax rate increased \$.00848 over the previous year. The last bond sale associated with the November 2007 bond initiative was on June 19, 2012 in the amount of \$14,305,000.

In November of 2006, the voters of the Amarillo Junior College District passed the local option to freeze ad valorem taxes for seniors and disabled.

The Amarillo City Commission adopted Ordinance No. 7012 on December 19, 2006 providing for the creation of a contiguous geographic area within the City to be a zone known as the Tax Increment Zone Number One, City of Amarillo, Texas (TIRZ) and the establishment of a tax increment fund for the Zone. The Amarillo Junior College District boundaries encompass the TIRZ. At a special meeting in November of 2007, the Board of Regents approved participation in the TIRZ. The contribution by the College to the TIRZ district for 2011-12, 2010-11 and 2009-10 was \$81,184, \$77,131 and \$71,796 respectively.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

REVENUES (CONTINUED)

Economic Outlook – While the recent recession has hit parts of the country very hard, the economic conditions in the College service area have not been that severe. The local unemployment rate of 5.4% is below the state and national averages of 7.5% and 8.3%, respectively. Local construction and home sales have slowed to some extent, but not the level experienced in other parts of the economy. As mentioned above, appropriations from the State of Texas have been decreased by 3.6% for fiscal year 2012 from 2011. State appropriations for fiscal year 2013 have been decreased by 1.9% (\$295,000) from the 2012 appropriation.

EXPENSES

KACV Digital Conversion Effort – Over the past several years the College has expended \$5.7 million to convert KACV-TV from an analog transmission station to a digital transmission station. More than \$7.6 million has been raised from government agencies and private grants toward this effort. During the 2012, 2011, and 2010 fiscal year, \$1.1 million, \$0.8M, and \$.1M, respectively, was expended to continue digital conversion. KACV turned off the analog signal and started transmitting the new digital signal on February 17, 2009.

Employee Health Insurance – The College, by mandate from the State of Texas, offers its employees health insurance through the Employees Retirement System of Texas (ERS). Over the past several years various administrative changes have been made to ERS which have increased the amount the College has to contribute on behalf of its employees for health insurance. The 82nd Session of the Texas Legislature struggled to adopt a balanced budget for the 2012-2013 bienniums. One of the sources of reduced State spending was to cut back on the amount of state funding for health insurance for community colleges. The amount of this cutback for Amarillo College was \$2.7 million for fiscal year 2012. The projected shortfall of \$2.2 million has been budgeted for in the 2012-13 budgets.

TRS Shortfall - In past fiscal years, The State of Texas contributed to the Teacher Retirement System on behalf of Amarillo College, “an amount not less than six percent nor more than 10 percent of the aggregate compensation paid to individuals participating in the system” as stated in the Texas Constitution Article 16, Section 67(b)(3). The 2012-13 State of Texas budget provides for state funding of TRS retirement for public community colleges as “For each public community/junior college district, the combined annual General Revenue Fund contributions to the Teacher Retirement System not exceed 6.0 percent of each district’s unrestricted General Revenue appropriation in fiscal year 2012 and fiscal year 2013.” These two approaches are fundamentally different. The 2012-13 budget defines funding limits in terms of the general appropriations to community colleges, while section 67(b) (3) of the Constitution defines minimum funding in terms of the “aggregate compensation paid” to TRS participants.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

EXPENSES (CONTINUED)

Amarillo College's unrestricted General Revenue appropriation does not exceed the aggregate compensation paid to TRS participants of the College. Thus, a shortfall exists in the constitutionally required funding for TRS. This provision in the 2012-13 state budget is not consistent with Texas Constitution Article 16, Section 67(b) (3).

Amarillo College does not believe the College is responsible for the shortfall in funding for TRS contributions per section 67(b) (3) which is \$627,972 for the fiscal year ended August 31, 2012. This amount is being disclosed as a possible contingent liability for fiscal year ended August 31, 2012.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets are defined as those items costing over \$5,000 and which have a normal useful life of more than two years. Below is a summary of the capital assets, as of August 31:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>Percent Change</u>
Land	\$ 3,653,753	\$ 3,453,420	\$ 3,453,420	5.8%
Construction in progress	3,885,460	5,262,365	2,438,939	-26.2%
Buildings and building improvements	132,077,748	124,214,258	116,018,144	6.3%
Other real estate improvements	5,516,030	4,564,875	4,424,715	20.8%
Library books	1,358,221	1,393,288	1,426,327	-2.5%
Furniture, machinery, vehicles, and other equipment	<u>28,505,652</u>	<u>26,464,609</u>	<u>24,599,075</u>	7.7%
Total capital assets	<u><u>\$174,996,864</u></u>	<u><u>\$165,352,815</u></u>	<u><u>\$152,360,620</u></u>	5.8%

Certain buildings on the College's East Campus were determined to be obsolete. Impairment loss recognized for 2012, 2011, and 2010 are \$2,953,872, \$0-, and \$4,473,025, respectively. The College has entered into various construction contracts. Total current commitments are \$26,545,324, of which \$19,226,143 was expended at August 31, 2012.

At August 31, 2012, the College had six bond issues outstanding, consisting of a revenue bond issue for \$4,470,000 and five general obligation bond issues for \$6,374,999, \$22,000,000, \$16,000,000, \$21,135,000, and \$14,305,000, respectively. Total long-term debt, excluding current portion, at August 31, 2012 is \$73,335,000.

Additional information on the College's capital assets and long-term liabilities can be found in Notes 5, 6, 7, and 8, respectively, to the basic financial statements.

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

OTHER MATTERS AT THE COLLEGE

Amarillo Technical Center – Beginning with the 1996 fiscal year, the College assumed the operation of the Texas State Technical College Amarillo campus by act of the Texas State Legislature. The land and buildings were leased to the College through fiscal year 2002. On September 1, 2002 the land and facilities were transferred to the College by act of the Texas State Legislature. The Amarillo Technical Center has been renamed the Amarillo College East Campus. HB 521, which was passed in the Texas State Legislature, now gives the College the ability to dispose of excess acreage encompassed within the East Campus.

Moore County Branch Campus – In 1999 the voters of Moore County passed a Branch Campus Maintenance Tax to fund a branch campus of Amarillo College in Dumas, Texas.

The College agreed to underwrite the cost above revenues of the branch campus until the revenues generated by the operation of the campus were sufficient to cover the expenditures. The long-term financial plan for the Moore County Branch Campus projected that the campus would begin paying back the reserves used by the College in fiscal year 2004, and would have all of the reserves reimbursed during fiscal year 2006. During fiscal year 2003, the Moore County Branch Campus had paid back all underwriting funds.

The Amarillo College Moore County Campus Tactical Plan development for 2011-2015 has resulted in the proposal to construct an approximately 30,000 square foot Career and Technical Center in Dumas, Texas. The Career and Technical Center will be built in the Dumas Economic Development Corporation (DEDC) Business Park, located at Hwy 287 and Success Blvd. DEDC will donate approximately 11 acres in the Business Park, with the understanding that construction will commence within two years of the property being annexed to the City of Dumas and the utilities being located on the property. The Amarillo College Board of Regents approved the sale of \$4.5 million in Revenue Bonds to be used to finance the new Career and Technical Center.

Hereford Branch Campus – In 2003 citizens of Hereford, Texas, organized a steering committee to investigate the possibility of establishing a community college branch campus to be located in their city. The steering committee approached the College and discussions began concerning the establishment of a branch campus. In 2004, voters of the Hereford Independent School District passed a Branch Campus Maintenance Tax to fund a branch campus of Amarillo College in Hereford. The Hereford Branch Campus began operation for the 2005 Fall Semester. An expansion committee has been created to investigate possible construction of a new campus.

During September of 2011, the College was approached by an individual wanting to make a monetary donation for construction of a new campus for Amarillo College in Hereford. In January of 2012, the Everett & Mabel McDougal Hinkson Foundation, Inc. was established with a gift of \$3,000,000 for construction of a new campus. Various covenants were specified, one

**AMARILLO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended August 31, 2012, 2011 and 2010**

ANALYSIS OF COLLEGE'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

of which was the requirement of the College to spend \$2,000,000 for the construction. The College contribution would be the first money used during construction, which is scheduled to begin in Fall of 2012 and be completed for Spring 2014 classes. The total cost to the College will be approximately \$2.5 million, to be funded by use of AC reserves and Hereford Branch Campus reserves. The Hereford Economic Development Corporation donated approximately 10 acres and Amarillo College purchased an additional 10 acres of land for the site of the new campus. The Everett & Mabel McDougal Hinkson Foundation, Inc. is treated as a blended component unit and incorporated into the Amarillo College financials.

BOND ELECTION

At the regularly scheduled meeting in August 2007, the Board of Regents passed an election order calling for a \$68.3 million bond election in November of 2007. The proceeds from bond sales will be used for new construction, renovation of existing buildings, equipping classrooms, and technology infrastructure. On November 6, 2007, the Amarillo Junior College District bond election was passed by the voters of the district. Bonds in the amount of \$22,000,000, \$16,000,000, \$16,000,000 and \$14,305,000 were sold June 15, 2008, June 15, 2009, June 15, 2010, and June 19, 2012, respectively. Standard & Poor's continues to provide the College's bond rating of AA+ based upon the College's strong and likely sustainable financial performance trend, evidenced by very strong reserves and substantial taxing flexibility. A parking lot expansion was completed in 2009. The Science Laboratory Building, expansion of the Chilled Water Loop on Washington Street Campus, the Nursing/Dental Building on West Campus, and Warren Hall renovations have been completed in 2010. The East Campus HVAC and Parcels project were completed in 2011. Byrd Business Building and Allied Health renovations, along with the Downtown Campus Parking Lot, were completed in 2012. Renovations of several existing buildings have been started and additional projects will also begin in 2012-2013.

FINANCIAL STATEMENTS

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**AMARILLO COLLEGE
STATEMENTS OF NET ASSETS
AUGUST 31, 2012 and 2011
Exhibit 1**

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 18,789,407	\$ 8,657,121
Short-term investments	25,684,048	21,997,768
Accounts receivable, net	4,578,563	12,172,064
Inventories	1,145,883	1,187,827
Other assets	175,408	607,344
Total current assets	50,373,309	44,622,124
NONCURRENT ASSETS		
Restricted cash and cash equivalents	18,046,043	11,402,830
Endowment investments	2,500,000	2,620,000
Capital assets, net	119,652,063	113,813,600
Unamortized debt issuance cost	655,077	500,178
Other noncurrent assets	9,618	5,577
Total noncurrent assets	140,862,801	128,342,185
TOTAL ASSETS	\$ 191,236,110	\$ 172,964,309
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,345,853	\$ 1,646,825
Accrued compensable absences - current portion	366,829	352,558
Bank overdraft	-	398,104
Funds held for others	203,089	192,751
Deferred revenues	9,842,956	8,954,182
Bonds payable - current portion	2,050,000	1,840,000
Retainage payable	378,696	616,852
Total current liabilities	14,187,423	14,001,272
NONCURRENT LIABILITIES		
Accrued compensable absences	709,424	665,639
Deposits payable	123,350	120,150
Bonds payable	73,335,000	56,870,000
Unamortized debt premium	799,609	569,011
Total noncurrent liabilities	74,967,383	58,224,800
TOTAL LIABILITIES	89,154,806	72,226,072
NET ASSETS		
Invested in capital assets, net of related debt	61,057,292	65,464,050
Restricted for:		
Nonexpendable:		
Endowment - True	2,500,000	2,620,000
Expendable:		
Capital projects	3,368,593	336,980
Debt service	2,507,097	2,009,835
Other, primarily donor restrictions	5,744,948	6,152,127
Unrestricted	26,903,374	24,155,245
Total net assets (Schedule D)	102,081,304	100,738,237
TOTAL LIABILITIES AND NET ASSETS	\$ 191,236,110	\$ 172,964,309

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

AMARILLO COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 2

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Tuition and fees (net of discounts of \$7,570,762 and \$6,342,085 in 2012 and 2011, respectively)	\$ 15,109,006	\$ 13,169,884
Federal grants and contracts	3,902,692	4,452,109
State grants and contracts	1,691,485	1,876,153
Local grants and contracts	1,891,514	1,953,216
Nongovernmental grants and contracts	1,748,509	1,557,259
Sales and services of educational activities	532,085	524,051
Auxiliary enterprises (net of discounts)	6,950,145	6,907,166
Other operating revenues	81,378	215,043
Total operating revenues (Schedule A)	<u>31,906,814</u>	<u>30,654,881</u>
OPERATING EXPENSES		
Instruction	30,255,763	30,565,313
Public service	3,401,869	3,616,734
Academic support	2,675,556	3,316,197
Student services	3,984,782	4,084,077
Institutional support	12,586,316	12,321,987
Operation and maintenance of plant	7,411,238	7,168,504
Scholarships and fellowships	11,832,993	15,328,731
Auxiliary enterprises	6,576,563	6,595,472
Depreciation	4,993,630	4,568,277
Total operating expenses (Schedule B)	<u>83,718,710</u>	<u>87,565,292</u>
Operating loss	<u>(51,811,896)</u>	<u>(56,910,411)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	18,321,957	21,176,844
Maintenance ad valorem taxes		
Taxes for maintenance and operations	14,428,247	14,075,247
Taxes for general obligation bonds	4,780,557	4,806,236
Federal revenue, non-operating	17,424,307	20,067,090
Gifts	3,090,764	185,815
Investment income, net of investment expenses	444,440	570,613
Interest on capital-related debt	(2,401,694)	(2,429,702)
Loss on disposal of fixed assets	(23,745)	(31,427)
Other nonoperating revenue (expenses)	44,002	30,272
Net nonoperating revenues (Schedule C)	<u>56,108,835</u>	<u>58,450,988</u>
Income before special item	4,296,939	1,540,577
SPECIAL ITEM		
Impairment loss on buildings	<u>(2,953,872)</u>	<u>-</u>
Increase in net assets	1,343,067	1,540,577
NET ASSETS - BEGINNING OF YEAR	<u>100,738,237</u>	<u>99,197,660</u>
NET ASSETS - END OF YEAR	<u>\$ 102,081,304</u>	<u>\$ 100,738,237</u>

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

AMARILLO COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 3

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 21,940,911	\$ 16,008,769
Receipts from grants and contracts	17,783,918	8,652,074
Payments to suppliers for goods or services	(17,561,743)	(17,390,528)
Payments to or on behalf of employees	(47,323,967)	(47,906,603)
Payments of scholarships	(12,082,956)	(15,560,727)
Other cash payments	(1,816,839)	(1,263,462)
Net cash used by operating activities	(39,060,676)	(57,460,477)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	18,328,492	21,177,914
Receipts from ad valorem taxes	19,244,503	18,857,373
Receipts from nonoperating federal revenue	17,424,307	20,067,090
Receipts from gift or grants	3,064,764	1,006
Student organization and other agency transactions	493,697	(6,239,360)
Net cash provided by noncapital financing activities	58,555,763	53,864,023
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of bonds	18,775,000	-
Proceeds from sale of capital assets	141,771	83,717
Purchases of capital assets	(14,163,638)	(14,085,554)
Payments on capital debt principal	(2,100,000)	(2,350,000)
Payments on capital debt interest	(2,225,046)	(2,481,412)
Net cash provided (used) by capital and related financing activities	428,087	(18,833,249)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of investments	25,735,971	28,278,245
Purchases of investments	(29,152,597)	(26,039,771)
Investment earnings	268,951	404,052
Net cash provided (used) by investing activities	(3,147,675)	2,642,526
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,775,499	(19,787,177)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	20,059,951	39,847,128
CASH AND CASH EQUIVALENTS, END OF YEAR (RESTRICTED AND UNRESTRICTED)	\$ 36,835,450	\$ 20,059,951

AMARILLO COLLEGE
STATEMENTS OF CASH FLOWS, CONTINUED
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 3, Continued

	2012	2011
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (51,811,896)	\$ (56,910,411)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	4,993,630	4,568,277
Bad debt expense	274,963	301,390
Changes in assets and liabilities:		
Accounts receivable, net	6,792,944	(7,489,117)
Inventories	41,944	105,449
Other assets	457,772	(100,111)
Other noncurrent assets	(4,041)	-
Accounts payable	(357,918)	221,250
Accrued compensable absences	58,056	(42,396)
Bank overdrafts	(398,104)	398,104
Deferred revenue	888,774	1,482,488
Deposits payable	3,200	4,600
Net cash used by operating activities	\$ (39,060,676)	\$ (57,460,477)

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

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 1 - REPORTING ENTITY

Amarillo College (the College) was established in 1929, in accordance with the laws of the State of Texas, to serve the educational needs of Amarillo and the surrounding communities. The College is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act Program Funds

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the College 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 in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase or are funds which have donor-imposed restrictions (endowments).

Inventories

Inventories consist of consumable office supplies, physical plant supplies (including fuel), computers and bookstore stock. Inventories are valued at the lower of cost (under the first-in, first-out method) or market and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The capitalization policy includes items valued at \$5,000 or more and a useful life of greater than two years. Renovations of \$100,000 or more to buildings, infrastructures, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are charged to operating expense in the year in which the expense is incurred.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Buildings	50 years
Facilities and Other Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years

The GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, in November 2003. This Statement was effective for the College's fiscal year ending August 31, 2006. This Statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries. The College analyzed its capital assets for impairment in accordance with GASB Statement No. 42. As a result, impairment losses of \$2,953,872 and \$-0- were recognized during 2012 and 2011, respectively.

The College capitalizes interest costs incurred on funds used to construct property, plant and equipment. The capitalized interest is recorded as part of the assets to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized was \$229,658 and \$229,766 in 2012 and 2011, respectively.

Deferred Revenues

Tuition, fees, and other revenues received and related to the period after August 31, 2012 and 2011, respectively, have been deferred. Deferred revenues for August 31, 2012 and 2011 are \$9,842,956 and \$8,954,182, respectively.

Estimates

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

Operating and Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. The College reports as a business-type activity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state allocations, Title IV financial aid programs, and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform with the 2012 presentation.

NOTE 3 - AUTHORIZED INVESTMENTS

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents included on Exhibit 1, Statements of Net Assets, consist of the items reported below:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents		
Demand deposits	\$ 5,539,999	\$ 183,644
TexPool	13,186,819	8,423,188
Petty cash on hand	62,589	50,289
Restricted cash and cash equivalents	<u>18,046,043</u>	<u>11,402,830</u>
Total cash and cash equivalents	<u>\$ 36,835,450</u>	<u>\$ 20,059,951</u>

The following represents a reconciliation of deposits and investments to Exhibit 1:

	<u>Market Value</u>	
<u>Type of Security</u>	<u>2012</u>	<u>2011</u>
U.S. Government Securities	\$ -	\$ 1,010,600
Other instruments	<u>28,184,048</u>	<u>23,607,168</u>
Total investments (Exhibit 1)	<u>\$ 28,184,048</u>	<u>\$ 24,617,768</u>
Cash and cash equivalents (Exhibit 1)	\$ 36,835,450	\$ 20,059,951
Investments (Exhibit 1)	<u>28,184,048</u>	<u>24,617,768</u>
Total deposits and investments	<u>\$ 65,019,498</u>	<u>\$ 44,677,719</u>

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments are classified as follows:

	<u>2012</u>	<u>2011</u>
Short-term investments	\$ 25,684,048	\$ 21,997,768
Endowment investments	<u>2,500,000</u>	<u>2,620,000</u>
Total investments	<u>\$ 28,184,048</u>	<u>\$ 24,617,768</u>

As of August 31, 2012, the College had the following investments and maturities:

<u>Investment type</u>	<u>Market Value</u>	<u>Investment Maturities (Years)</u>
Savings/mutual funds	\$ 3,562,025	Less than 1 year
Certificate of deposits	<u>24,622,023</u>	Less than 1 year
Total investments	<u>\$28,184,048</u>	

Interest Rate Risk - Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. In accordance with state law and Board policy, the College does not purchase any investments with maturities greater than one year except for endowed funds which can be invested to a maximum of five years. The College uses the specific identification method to disclose interest-rate risk.

Concentration of Credit Risk - Concentration risk is defined as positions of 5% or more in the securities of a single issuer. The College's policy states that the balance in external investment pools shall not exceed 35% of the total College investment portfolio unless approved by the Investment Committee of the Board of Regents. The College has 25% of their investments in a Chase High Yield Savings account.

Credit Risk - In accordance with state law and the College's investment policy, investments must be an "A" or its equivalent for obligations of state agencies, counties, cities, or other political subdivisions of any state. As of August 31, 2012, the College's investment in all of its investments had a credit rating of AAA.

Custodial Credit Risk - For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of August 31, 2012, \$7,169,265 of the College's bank balances of \$17,437,306 were exposed to custodial risk as follows:

Uninsured and uncollateralized	\$ 2,755,599
Uninsured and collateralized with securities held by pledging financial institution	<u>4,413,666</u>
Total	<u>\$ 7,169,265</u>

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Participation in External Investment Pools

As of August 31, 2012, the carrying amount of amounts invested in investment pools was \$13,186,819. Investment pools are recorded at cost, which approximated market value at August 31, 2012. All investment pools are uninsured and are not registered with the Securities and Exchange Commission. Investment pools are not subject to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

The College's investment in investment pools is TexPool Participant Services. TexPool Participant Services' regulatory oversight agent is the Texas Treasury Safekeeping Trust Company and their credit risk rating is AAAM. Their financial reports may be obtained by writing Federated Investment Management Company, 1001 Texas Avenue, Suite 1400, Houston, TX 77002.

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2012, was as follows:

	<u>Balance</u> <u>September 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31, 2012</u>
Not depreciated:				
Land	\$ 3,453,420	\$ 200,333	\$ -	\$ 3,653,753
Construction in progress	<u>5,262,365</u>	<u>11,463,620</u>	<u>12,840,525</u>	<u>3,885,460</u>
Total not depreciated	<u>8,715,785</u>	<u>11,663,953</u>	<u>12,840,525</u>	<u>7,539,213</u>
Other capital assets:				
Buildings and building improvements	124,214,258	11,748,700	3,885,210	132,077,748
Other real estate improvements	<u>4,564,875</u>	<u>951,155</u>	<u>-</u>	<u>5,516,030</u>
Total buildings and other real estate improvements	<u>128,779,133</u>	<u>12,699,855</u>	<u>3,885,210</u>	<u>137,593,778</u>
Library books	1,393,288	5,480	40,547	1,358,221
Furniture, machinery, vehicles and other equipment	<u>26,464,609</u>	<u>2,435,215</u>	<u>394,172</u>	<u>28,505,652</u>
Total other capital assets	<u>156,637,030</u>	<u>15,140,550</u>	<u>4,319,929</u>	<u>167,457,651</u>
Accumulated depreciation:				
Buildings and building improvements	34,083,401	2,437,944	776,721	35,744,624
Other real estate improvements	<u>1,165,553</u>	<u>291,448</u>	<u>-</u>	<u>1,457,001</u>
Total buildings and other real estate improvements	<u>35,248,954</u>	<u>2,729,392</u>	<u>776,721</u>	<u>37,201,625</u>
Library books	1,060,180	70,005	40,547	1,089,638
Furniture, machinery, vehicles and other equipment	<u>15,230,081</u>	<u>2,194,233</u>	<u>370,776</u>	<u>17,053,538</u>
Total accumulated depreciation	<u>51,539,215</u>	<u>4,993,630</u>	<u>1,188,044</u>	<u>55,344,801</u>
Net other capital assets	<u>105,097,815</u>			<u>112,112,850</u>
Net capital assets	<u>\$ 113,813,600</u>			<u>\$ 119,652,063</u>

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 5 - CAPITAL ASSETS (CONTINUED)

The College has entered into various construction contracts. Total current commitments are \$26,545,324 of which \$19,226,143 was expended at August 31, 2012.

Capital assets activity for the year ended August 31, 2011, was as follows:

	<u>Balance</u> <u>September 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31, 2011</u>
Not depreciated:				
Land	\$ 3,453,420	\$ -	\$ -	\$ 3,453,420
Construction in progress	<u>2,438,939</u>	<u>10,710,222</u>	<u>7,886,796</u>	<u>5,262,365</u>
Total not depreciated	<u>5,892,359</u>	<u>10,710,222</u>	<u>7,886,796</u>	<u>8,715,785</u>
Other capital assets:				
Buildings and building improvements	116,018,144	8,196,114	-	124,214,258
Other real estate improvements	<u>4,424,715</u>	<u>140,160</u>	<u>-</u>	<u>4,564,875</u>
Total buildings and other real estate improvements	<u>120,442,859</u>	<u>8,336,274</u>	<u>-</u>	<u>128,779,133</u>
Library books	1,426,327	2,188	35,227	1,393,288
Furniture, machinery, vehicles and other equipment	<u>24,599,075</u>	<u>2,989,806</u>	<u>1,124,272</u>	<u>26,464,609</u>
Total other capital assets	<u>146,468,261</u>	<u>11,328,268</u>	<u>1,159,499</u>	<u>156,637,030</u>
Accumulated depreciation:				
Buildings and building improvements	31,789,069	2,294,332	-	34,083,401
Other real estate improvements	<u>894,171</u>	<u>271,382</u>	<u>-</u>	<u>1,165,553</u>
Total buildings and other real estate improvements	<u>32,683,240</u>	<u>2,565,714</u>	<u>-</u>	<u>35,248,954</u>
Library books	1,020,349	75,058	35,227	1,060,180
Furniture, machinery, vehicles and other equipment	<u>14,311,707</u>	<u>1,927,505</u>	<u>1,009,131</u>	<u>15,230,081</u>
Total accumulated depreciation	<u>48,015,296</u>	<u>4,568,277</u>	<u>1,044,358</u>	<u>51,539,215</u>
Net other capital assets	<u>98,452,965</u>			<u>105,097,815</u>
Net capital assets	<u>\$ 104,345,324</u>			<u>\$ 113,813,600</u>

NOTE 6 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2012, was as follows:

	<u>Balance</u> <u>September 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>August 31, 2012</u>	<u>Due Within</u> <u>One Year</u>
Bonds					
General obligation bonds	\$ 58,205,000	\$ 14,305,000	\$ 1,595,000	\$ 70,915,000	\$ 1,875,000
Revenue bonds	<u>505,000</u>	<u>4,470,000</u>	<u>505,000</u>	<u>4,470,000</u>	<u>175,000</u>
Subtotal	58,710,000	18,775,000	2,100,000	75,385,000	2,050,000

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

	<u>Balance September 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance August 31, 2012</u>	<u>Due Within One Year</u>
Accrued compensable absences	1,018,197	58,056	-	1,076,253	366,829
Deposits	120,150	90,384	87,184	123,350	-
Unamortized debt premium	<u>569,011</u>	<u>274,600</u>	<u>44,002</u>	<u>799,609</u>	<u>-</u>
Long-term liabilities	<u>\$ 60,417,358</u>	<u>\$ 19,198,040</u>	<u>\$ 2,231,186</u>	77,384,212	<u>\$ 2,416,829</u>
Current portion				<u>(2,416,829)</u>	
				<u>\$ 74,967,383</u>	

Long-term liability activity for the year ended August 31, 2011, was as follows:

	<u>Balance September 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance August 31, 2011</u>	<u>Due Within One Year</u>
Bonds					
General obligation bonds	\$ 60,320,000	\$ -	\$ 2,115,000	\$ 58,205,000	\$ 1,595,000
Revenue bonds	<u>740,000</u>	<u>-</u>	<u>235,000</u>	<u>505,000</u>	<u>245,000</u>
Subtotal	61,060,000	-	2,350,000	58,710,000	1,840,000
Accrued compensable absences	1,060,593	-	42,396	1,018,197	352,558
Deposits	115,550	41,216	36,616	120,150	-
Unamortized debt premium	<u>599,283</u>	<u>-</u>	<u>30,272</u>	<u>569,011</u>	<u>-</u>
Long-term liabilities	<u>\$ 62,835,426</u>	<u>\$ 41,216</u>	<u>\$ 2,459,284</u>	60,417,358	<u>\$ 2,192,558</u>
Current portion				<u>(2,192,558)</u>	
				<u>\$ 58,224,800</u>	

NOTE 7 - DEBT OBLIGATIONS

Debt service requirements at August 31, 2012, were as follows (amounts in 000's):

<u>For the Year Ended August 31,</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Total Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,875	\$ 3,010	\$ 175	\$ 162	\$ 2,050	\$ 3,172
2014	2,075	2,827	180	159	2,255	2,986
2015	2,310	2,751	180	155	2,490	2,906
2016	2,565	2,656	185	152	2,750	2,808
2017	2,790	2,549	190	146	2,980	2,695
2018-2022	18,810	10,585	1,060	629	19,870	11,214
2023-2027	25,320	5,816	1,275	402	26,595	6,218
2028-2032	<u>15,170</u>	<u>971</u>	<u>1,225</u>	<u>125</u>	<u>16,395</u>	<u>1,096</u>
Total	<u>\$ 70,915</u>	<u>\$ 31,165</u>	<u>\$ 4,470</u>	<u>\$ 1,930</u>	<u>\$ 75,385</u>	<u>\$ 33,095</u>

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 8 - BONDS PAYABLE

General information related to bonds payable is summarized below:

Combined Fee Revenue Bonds, Series 2011

- To renovate and expand the Moore County Campus.
- Issued October 25, 2011.
- \$4,470,000 originally issued; all authorized bonds have been issued.
- Source of revenue for debt service - Certain pledged revenues consisting primarily of a portion of tuition charges and other fees. Outstanding balance at August 31, 2012: \$4,470,000.
- The bonds are due in annual installments varying from \$256,200 to \$295,400, including interest with interest rates from 2.0% to 4.0%, with the final installment due in 2025.

General Obligation Refunding Bonds, Series 2003

- Bond refunding of General Obligation Bonds, Series 1994, which was to construct and equip new buildings and renovate existing facilities.
- Issued December 15, 2003.
- \$6,374,999 originally issued; all authorized bonds have been issued.
- Average interest rate of bonds refunded: 5.80%
- Net proceeds from refunding series: \$6,558,355, after payment of \$123,842 in underwriting fees, insurance, and other issuance costs.
- Refunding of the 1994 Series Bonds reduced the College's debt service payments by approximately \$761,000 and resulted in an economic gain of approximately \$497,000.
- Included in the refunding series was \$339,999 of capital appreciation bonds that matured February 15, 2005.
- Source of revenue for debt service - Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2012 and 2011: \$780,000 and \$1,575,000, respectively.
- The bonds mature in 2013 with a final annual installment of \$794,040 and an interest rate of 3.6%.

General Obligation Bonds, Series 2008

- General Obligation Bonds, Series 2008 will be used to construct and equip new buildings and renovate existing facilities.
- Issued June 15, 2008 – 1st Issue.
- \$22,000,000 originally issued of the \$68,305,000 authorized.
- Source of revenue for debt service - Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2012 and 2011: \$20,100,000 and \$20,500,000, respectively.
- The bonds are due in annual installments varying from \$1,371,070 to \$1,936,194 including interest, with interest rates from 3.625% to 5.00% with the final installment due in 2028.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 8 - BONDS PAYABLE (CONTINUED)

General Obligation Bonds, Series 2009

- General Obligation Bonds, Series 2009 will be used to construct and equip new buildings and renovate existing facilities.
- Issued June 15, 2009 – 2nd Issue.
- \$16,000,000 second issue of the \$68,305,000 authorized in FY 2008.
- Source of revenue for debt service - Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2012 and 2011: \$16,000,000 and \$16,000,000, respectively.
- The bonds are due in annual installments varying from \$698,905 to \$1,469,278, including interest with interest rates from 4.00% to 4.80%, with the final installment due in 2029.

General Obligation Improvement and Refunding Bonds, Series 2010

- General Obligation Improvement and Refunding Bonds, Series 2010, will be used to construct and equip new buildings and renovate existing facilities and refund the outstanding balance of the General Obligation Refunding Bonds, Series 2005.
- Issued June 15, 2010.
- \$21,135,000 originally issued, of which \$5,135,000 was the Refunding of the General Obligation Refunding Bonds, Series 2005 and \$16,000,000 was the third issue of the \$68,305,000 authorized in FY 2008.
- Average interest rate of bonds refunded: 3.96%.
- Net proceeds from series: \$21,423,938, net of cost of issuance of \$99,250, of which \$5,340,062 used in the refunding of the General Obligation Refunding Bonds, Series 2005.
- Source of revenue for debt service – Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2012 and 2011: \$19,730,000 and \$20,130,000, respectively.
- The bonds are due in annual installments varying from \$1,107,500 to \$1,693,300, including interest with interest rates from 4.0% to 4.25%, with the final installment due in 2030.

General Obligation Bonds, Series 2012

- General Obligation Improvement and Refunding Bonds, Series 2012, will be used to construct and equip new buildings and renovate existing facilities.
- Issued June 19, 2012.
- \$14,305,000 fourth and final issue of the \$68,305,000 authorized in FY 2008.
- Source of revenue for debt service – Ad valorem tax levied by the District on taxable property. Outstanding balance at August 31, 2012: \$14,305,000.
- The bonds are due in annual installments varying from \$469,212 to \$1,276,178, including interest with interest rates from 2.0% to 4.0%, with the final installment due in 2032.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 9 - EMPLOYEES' RETIREMENT PLAN

State-Sponsored Benefit Plans

The State of Texas has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS).

Teacher Retirement System of Texas

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas State Legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of 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. State law provides for a member contribution rate of 6.4% for fiscal years 2012 and 2011 and a state contribution rate of 6.0% and 6.644% for fiscal years 2012 and 2011, respectively. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2012 and 2011.

Optional Retirement Plan

Plan Description. Participation in the Optional Retirement Program is in lieu of participation in the TRS. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. The percentages of participant salaries currently contributed by the state are 6.0% and 6.4% for fiscal years 2012 and 2011, respectively. The participant contribution rate is 6.65% for both years. The College contributes 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)

State-Sponsored Benefit Plans (Continued)

Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The calculated retirement expense to the state for the College for the fiscal year ended August 31, 2012 was \$1,545,349. The College only received \$917,377. See Note 12 for further information on the shortfall. For the fiscal years ended August 31, 2011 and 2010, the retirement expense to the state for the College was \$1,738,850 and \$1,733,379, respectively. The amounts received represent the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all College employees was \$36,006,364, \$36,519,939 and \$36,075,098 for fiscal years 2012, 2011 and 2010, respectively. The total payroll of employees covered by the TRS was \$21,652,101, \$21,329,281 and \$21,277,965 and the total payroll of employees covered by the Optional Retirement Program was \$9,478,900, \$10,109,130 and \$10,320,523 for fiscal years 2012, 2011 and 2010, respectively.

College-Sponsored Benefit Plans

The College has a voluntary employee benefit plan administered by the plan's trustee. The plan is funded by matching employee and employer contributions of 6.65% of employee compensation. Plan funds are held in trust and are administered by the College's Vice-President of Business Affairs with oversight by the Board of Regents. Full-time employees and certain part-time employees are eligible to participate and are fully vested at all times. At August 31, 2012, 2011 and 2010, there were 943, 963 and 962, respectively, plan participants. The related expense was \$1,880,010, \$1,954,629 and \$1,996,390 for the years ended August 31, 2012, 2011 and 2010, respectively.

Part-time employees that are not covered by the defined contribution employee benefit plan are covered by a plan established pursuant to Internal Revenue Code (IRC) Section 457. As a result of the passage of the Small Business Job Protection Act of 1996, beginning January 1, 1999, part-time plan funds are held in an irrevocable trust for the exclusive benefit of the participants. The College is responsible for due care in managing the investments of the plan. The related expense was \$266,889, \$226,450 and \$219,532 for the years ended August 31, 2012, 2011 and 2010, respectively.

NOTE 10 - DEFERRED COMPENSATION PROGRAM

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

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 11 - COMPENSABLE ABSENCES

Full-time employees earn annual leave from eight to twelve hours per month depending on the number of years employed with the College. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 160 for those employees with five or less years of service, up to 200 hours for those employees with more than five years but under ten years of service, and up to 240 hours for those employees with more than ten years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for the unpaid annual leave in the amounts of \$1,076,253 and \$1,018,197 as of August 31, 2012 and 2011, respectively. Sick leave, which can be accumulated up to 120 days, is earned at the rate of eight hours per month; however, sick leave is not paid at termination. The College's policy is to recognize the cost of sick leave when utilized by employees.

NOTE 12 - COMMITMENTS, CONTINGENCIES AND LAWSUITS

The College participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of the College's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

On August 31, 2012, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, if any, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

Teacher Retirement System (TRS) Shortfall

In past fiscal years, The State of Texas contributed to the Teacher Retirement System (TRS) on behalf of the College, "an amount not less than six percent nor more than 10 percent of the aggregate compensation paid to individuals participating in the system" as stated in the Texas Constitution Article 16, Section 67(b)(3). The 2012-13 State of Texas budget provides for state funding of TRS retirement for public community colleges as "For each public community/junior college district, the combined annual General Revenue Fund contributions to the Teacher Retirement System not exceed 6.0 percent of each district's unrestricted General Revenue appropriation in fiscal year 2012 and fiscal year 2013." These two approaches are fundamentally different. The 2012-13 budget defines funding limits in terms of the general appropriations to community colleges, while Section 67(b) (3) of the Constitution defines minimum funding in terms of the "aggregate compensation paid" to TRS participants.

The College's unrestricted General Revenue appropriation does not exceed the aggregate compensation paid to TRS participants of the College. Thus, a shortfall exists in the constitutionally required funding for TRS. This provision in the 2012-13 state budget is not consistent with Texas Constitution Article 16, Section 67(b) (3).

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 12 - COMMITMENTS, CONTINGENCIES AND LAWSUITS (CONTINUED)

The College does not believe it is responsible for the shortfall in funding for TRS contributions per Section 67(b) (3) which is \$627,972 for the fiscal year ended August 31, 2012. This amount is being disclosed as a possible contingent liability for fiscal year ended August 31, 2012.

NOTE 13 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Accounts Receivable

Accounts receivable at August 31, 2012 and 2011, were as follows:

	<u>2012</u>	<u>2011</u>
Student receivables	\$ 2,379,999	\$ 1,508,038
Taxes receivable	848,436	884,135
Government grants and contracts	1,163,330	9,183,585
Other receivables	<u>951,444</u>	<u>1,318,444</u>
Total accounts receivable	5,343,209	12,894,202
Allowance for doubtful accounts	<u>(764,646)</u>	<u>(722,138)</u>
Total accounts receivable, net	<u>\$ 4,578,563</u>	<u>\$ 12,172,064</u>

Accounts Payable

Accounts payable at August 31, 2012 and 2011, were as follows:

	<u>2012</u>	<u>2011</u>
Vendors payable	\$ 686,878	\$ 863,062
Salaries and benefits payable	602,029	783,763
Interest payable	<u>56,946</u>	<u>—</u>
Total accounts payable	<u>\$ 1,345,853</u>	<u>\$ 1,646,825</u>

NOTE 14 - CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2, Schedule A and Schedule C. For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1. For federal and nonfederal contract and grant awards, funds received, but not yet expended, are reported as deferred revenue on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 14 - CONTRACT AND GRANT AWARDS (CONTINUED)

not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2012 and 2011 for which monies have not been received nor funds expended totaled \$8,319,386 and \$14,093,317, respectively. Of these amounts, \$5,849,880 and \$12,503,777 were from federal contract and grant awards; \$1,116,216 and \$884,372 were from state contract and grant awards; and \$1,353,290 and \$705,168 were from private contract and grant awards for the fiscal years ended 2012 and 2011, respectively

NOTE 15 - SELF-INSURED PLANS

The College does not participate in public entity risk pools. Claims and judgments are accounted for in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Property and casualty risks are insured through insurance contracts. Workers' compensation risks are substantially covered by insurance. Health claims are fully covered by the State of Texas.

NOTE 16 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees. The state's contribution per full-time employee was \$438.30 per month for the year ended August 31, 2012 (\$413.26 per month for the year ended August 31, 2011) and totaled \$2,084,021 for the year ended August 31, 2012 (\$3,544,771 for the year ended August 31, 2011).

NOTE 17 - AD VALOREM TAX

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

At August 31, 2012:

Assessed valuation of the District	\$ 12,206,295,830
Less: exemptions	<u>1,864,211,464</u>
Net assessed valuation of the District	<u>\$ 10,342,084,366</u>

**AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 17 - AD VALOREM TAX (CONTINUED)

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (Maximum per enabling legislation)	\$.20000	\$.50000	\$.70000
Tax rate per \$100 valuation for assessed	.14241	.04697	.18938

Taxes levied for the year ended August 31, 2012, were \$19,208,804 (which includes penalty and interest assessed and adjustments, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 14,193,171	\$ 4,671,409	\$ 18,864,580
Delinquent taxes collected	207,613	67,960	275,573
Penalties and interest collected	<u>162,360</u>	<u>46,058</u>	<u>208,418</u>
Total collections	<u>\$ 14,563,144</u>	<u>\$ 4,785,427</u>	<u>\$ 19,348,571</u>

At August 31, 2011:

Assessed valuation of the District	\$ 11,735,501,105
Less: exemptions	<u>1,598,429,937</u>
Net assessed valuation of the District	<u>\$ 10,137,071,168</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (Maximum per enabling legislation)	\$.20000	\$.50000	\$.70000
Tax rate per \$100 valuation for assessed	.14149	.04847	.18996

Taxes levied for the year ended August 31, 2011, were \$18,881,483 (which includes penalty and interest assessed and adjustments, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 13,495,913	\$ 4,643,062	\$ 18,138,975
Delinquent taxes collected	440,946	146,388	587,334
Penalties and interest collected	<u>154,007</u>	<u>42,983</u>	<u>196,990</u>
Total collections	<u>\$ 14,090,866</u>	<u>\$ 4,832,433</u>	<u>\$ 18,923,299</u>

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 17 - AD VALOREM TAX (CONTINUED)

Tax collections for both of the years ended August 31, 2012 and 2011 were 100% of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking fund expenditures.

NOTE 18 - BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax that is established by election is levied by Moore County and Hereford Independent School District. It is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the district. Collections are transferred to the College to be used for operation of a branch campus in Dumas, Texas, and Hereford, Texas. This revenue is reported under local grant contracts. Collections in fiscal years 2012 and 2011 (including penalties and interest) from Moore County totaled approximately \$1,152,000 and \$1,247,000, respectively, and from Hereford Independent School District totaled approximately \$558,000 and \$521,000, respectively.

NOTE 19 - INCOME TAXES

The College is exempt from income taxes under IRC Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under IRC Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no significant unrelated business income for the years ended August 31, 2012 and 2011.

NOTE 20 - RELATED PARTIES

The Amarillo College Foundation, Incorporated (the Foundation) is a nonprofit organization with the primary purpose of supporting the educational and other activities of various entities, including the College. The Foundation solicits donations and awards scholarships, including substantial scholarships to students not attending the College. The College does not appoint a voting majority to the board of directors nor does it fund or is it obligated to pay debt related to the Foundation. Accordingly, the Foundation has not been presented as a discrete component unit of the College. During the fiscal year, the College furnished certain services, such as office space, utilities and some staff assistance, to the Foundation. The amount of such services provided by the College has not been determined.

NOTE 21 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 21 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contributions provisions of the SRHP are authorized by state law and may be amended by the Texas State Legislature. ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement No. 45.

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

The College's contributions to SRHP for the years ended August 31, 2012, 2011, and 2010 were \$2,027,642, \$1,768,138 and \$1,587,406, respectively, which equaled the required contributions each year.

NOTE 22 - EVERETT & MABEL MCDUGAL HINKSON FOUNDATION

The Everett & Mabel McDougal Hinkson Foundation, Inc. (the Hinkson Foundation) was formed October 25, 2011 as a support organization of Amarillo College under Section 506(a) of the Internal Revenue Code. The College appoints the directors of the Hinkson Foundation. The Hinkson Foundation was set up solely to support the College with all funds in the Hinkson Foundation being used primarily to provide for the construction, improvement and maintenance of the Everett & Mabel McDougal Hinkson campus of Amarillo College in Deaf Smith County. Secondly, the Hinkson Foundation will provide support for the educational purposes that benefit the students and community served by the Everett & Mabel McDougal Hinkson campus. As of August 31, 2012, the organization had \$3,005,599 in a money market account. This organization does not publish separate financial statements. The College has treated the Hinkson Foundation as a blended component unit and has included the transactions in the College's financial statements.

AMARILLO COLLEGE
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011

NOTE 23 - SUBSEQUENT EVENTS

The College has received two significant grant awards subsequent to year-end. A grant for \$1,000,000 has been received from the U.S. Department of Commerce Economic Development Administration to be used for the Hereford campus. The second grant is \$2,500,000 grant from the U.S. Department of Labor Employment and Training Administration.

The College Board of Regents, at a special board meeting on November 14, 2012, approved the formation of an independent foundation, Amarillo Foundation for Education and Business, in order to facilitate the sale of surplus land located on the College's East Campus. This foundation will be a component unit of the College.

This information is an integral part of the accompanying financial statements.

OTHER SUPPLEMENTAL INFORMATION

**AMARILLO COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 9,230,084	\$ -	\$ 9,230,084	\$ -	\$ 9,230,084	\$ 7,688,117
Out-of-district resident tuition	2,183,382	-	2,183,382	-	2,183,382	2,062,727
Non-resident tuition	647,749	-	647,749	-	647,749	543,149
TPEG - Credit (set aside)*	486,083	-	486,083	-	486,083	447,021
State-funded continuing education	835,512	699,144	1,534,656	-	1,534,656	1,315,556
TPEG - Non-credit (set aside)*	50,131	41,979	92,110	-	92,110	78,913
Non-state funded continuing education	560,210	168,646	728,856	-	728,856	483,564
Total tuition	<u>13,993,151</u>	<u>909,769</u>	<u>14,902,920</u>	<u>-</u>	<u>14,902,920</u>	<u>12,619,047</u>
FEES						
Distance learning fee	505,123	-	505,123	-	505,123	373,048
General fee	3,456,104	-	3,456,104	-	3,456,104	3,077,018
Technology fee	1,672,146	-	1,672,146	-	1,672,146	1,763,787
Student service fee	-	-	-	319,564	319,564	337,066
Laboratory fee	406,976	-	406,976	-	406,976	458,594
Other fees	1,688,166	48,333	1,736,499	-	1,736,499	1,220,475
Total fees	<u>7,728,515</u>	<u>48,333</u>	<u>7,776,848</u>	<u>319,564</u>	<u>8,096,412</u>	<u>7,229,988</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	(714,417)	-	(714,417)	-	(714,417)	(519,100)
Remissions and exemptions - State	(1,791,151)	-	(1,791,151)	-	(1,791,151)	(1,439,269)
TPEG allowances	(573,922)	-	(573,922)	-	(573,922)	(373,018)
State grants to students	(631,008)	-	(631,008)	-	(631,008)	(762,747)
Title IV federal grants	(3,799,353)	-	(3,799,353)	-	(3,799,353)	(3,223,587)
Other local grants	(60,911)	-	(60,911)	-	(60,911)	(24,364)
Total scholarship allowances and discounts	<u>(7,570,762)</u>	<u>-</u>	<u>(7,570,762)</u>	<u>-</u>	<u>(7,570,762)</u>	<u>(6,342,085)</u>
Total net tuition and fees	<u>14,150,904</u>	<u>958,102</u>	<u>15,109,006</u>	<u>319,564</u>	<u>15,428,570</u>	<u>13,506,950</u>

**AMARILLO COLLEGE
SCHEDULE A, CONTINUED
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	229,192	3,673,500	3,902,692	-	3,902,692	4,452,109
State grants and contracts	2,545	1,688,940	1,691,485	-	1,691,485	1,876,153
Local grants and contracts	1,882,726	8,788	1,891,514	-	1,891,514	1,953,216
Nongovernmental grants and contracts	180,363	1,568,146	1,748,509	-	1,748,509	1,557,259
Sales and services of educational activities	531,249	836	532,085	-	532,085	524,051
General operating revenues	-	81,378	81,378	-	81,378	215,043
Total additional operating revenues	<u>2,826,075</u>	<u>7,021,588</u>	<u>9,847,663</u>	<u>-</u>	<u>9,847,663</u>	<u>10,577,831</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	5,046,324	5,046,324	5,196,416
Less: discounts	-	-	-	(1,330,760)	(1,330,760)	(1,392,106)
Residential	-	-	-	2,690,715	2,690,715	2,574,597
Student programs	-	-	-	7,511	7,511	2,339
Other auxiliary enterprises	-	-	-	216,791	216,791	188,854
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,630,581</u>	<u>6,630,581</u>	<u>6,570,100</u>
TOTAL OPERATING REVENUES	<u><u>\$16,976,979</u></u>	<u><u>\$ 7,979,690</u></u>	<u><u>\$24,956,669</u></u>	<u><u>\$ 6,950,145</u></u>	<u><u>\$31,906,814</u></u>	<u><u>\$30,654,881</u></u>
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$578,193 and \$525,934 for years August 31, 2012 and 2011, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

**AMARILLO COLLEGE
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	Operating Expenses				2012	2011
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	\$18,877,886	\$ -	\$3,400,276	\$ 1,520,569	\$ 23,798,731	\$23,103,674
Public service	1,648,154	-	299,056	292,542	2,239,752	2,444,494
Academic support	1,815,307	-	381,233	284,141	2,480,681	2,989,160
Student services	2,713,972	-	615,771	353,077	3,682,820	3,523,114
Institutional support	5,200,731	-	1,580,888	4,599,966	11,381,585	10,756,593
Operation and maintenance of plant	2,381,391	-	931,303	4,098,544	7,411,238	7,168,504
Total unrestricted educational activities	<u>32,637,441</u>	<u>-</u>	<u>7,208,527</u>	<u>11,148,839</u>	<u>50,994,807</u>	<u>49,985,539</u>
RESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	2,045,608	1,770,734	411,809	2,228,881	6,457,032	7,461,639
Public service	171,553	133,726	33,792	823,046	1,162,117	1,172,240
Academic support	-	194,875	-	-	194,875	327,037
Student services	-	301,972	-	(10)	301,962	560,963
Institutional support	365,356	600,092	92,279	147,004	1,204,731	1,565,394
Scholarships and fellowships	-	-	-	11,832,993	11,832,993	15,328,731
Total restricted educational activities	<u>2,582,517</u>	<u>3,001,399</u>	<u>537,880</u>	<u>15,031,914</u>	<u>21,153,710</u>	<u>26,416,004</u>
Total educational activities	<u>35,219,958</u>	<u>3,001,399</u>	<u>7,746,407</u>	<u>26,180,753</u>	<u>72,148,517</u>	<u>76,401,543</u>
AUXILIARY ENTERPRISES	910,625	-	318,904	5,347,034	6,576,563	6,595,472
DEPRECIATION EXPENSE - buildings and other real estate improvements	-	-	-	2,729,392	2,729,392	2,565,714
DEPRECIATION EXPENSE - equipment and furniture	-	-	-	2,264,238	2,264,238	2,002,563
TOTAL OPERATING EXPENSES	<u>\$36,130,583</u>	<u>\$3,001,399</u>	<u>\$8,065,311</u>	<u>\$36,521,417</u>	<u>\$83,718,710</u>	<u>\$87,565,292</u>
					(Exhibit 2)	(Exhibit 2)

**AMARILLO COLLEGE
SCHEDULE C
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
NONOPERATING REVENUES					
State appropriations:					
Education and general state support	\$ 15,320,559	\$ -	\$ -	\$ 15,320,559	\$ 15,893,223
State group insurance	-	2,084,021	-	2,084,021	3,544,771
State retirement matching	-	917,377	-	917,377	1,738,850
Total state appropriations	15,320,559	3,001,398	-	18,321,957	21,176,844
Maintenance ad valorem taxes	14,428,247	-	-	14,428,247	14,075,247
General obligation bonds taxes	-	4,780,557	-	4,780,557	4,806,236
Federal revenue, nonoperating	-	17,424,307	-	17,424,307	20,067,090
Gifts	90,764	3,000,000	-	3,090,764	185,815
Investment income	80,077	364,363	-	444,440	570,613
Other nonoperating revenues	-	44,002	-	44,002	30,272
Total nonoperating revenues	29,919,647	28,614,627	-	58,534,274	60,912,117
NONOPERATING EXPENSES					
Interest on capital related debt	-	(2,401,694)	-	(2,401,694)	(2,429,702)
Loss on disposal of fixed assets	-	(23,745)	-	(23,745)	(31,427)
Total nonoperating expenses	-	(2,425,439)	-	(2,425,439)	(2,461,129)
NET NONOPERATING REVENUES	<u>\$ 29,919,647</u>	<u>\$ 26,189,188</u>	<u>\$ -</u>	<u>\$ 56,108,835</u>	<u>\$ 58,450,988</u>
				(Exhibit 2)	(Exhibit 2)

**AMARILLO COLLEGE
SCHEDULE D
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
CURRENT							
Unrestricted	\$ 20,873,912	\$ -	\$ -	\$ -	\$ 20,873,912	\$ 20,873,912	\$ -
Board designated	-	-	-	-	-	-	-
Restricted	-	4,927,452	-	-	4,927,452	4,927,452	-
Auxiliary enterprises	6,029,462	-	-	-	6,029,462	6,029,462	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	817,496	-	-	817,496	-	817,496
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	2,500,000	-	2,500,000	-	2,500,000
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	3,368,593	-	-	3,368,593	-	3,368,593
Renewals	-	-	-	-	-	-	-
Debt service	-	2,507,097	-	-	2,507,097	-	2,507,097
Investment in plant	-	-	-	61,057,292	61,057,292	-	61,057,292
Total net assets, August 31, 2012	26,903,374	11,620,638	2,500,000	61,057,292	102,081,304 (Exhibit 1)	31,830,826	70,250,478
Total net assets, August 31, 2011	24,155,245	8,498,942	2,620,000	65,464,050	100,738,237 (Exhibit 1)	29,635,939	71,102,298
NET INCREASE (DECREASE) IN NET ASSETS	<u>\$ 2,748,129</u>	<u>\$ 3,121,696</u>	<u>\$ (120,000)</u>	<u>\$ (4,406,758)</u>	<u>\$ 1,343,067</u> (Exhibit 2)	<u>\$ 2,194,887</u>	<u>\$ (851,820)</u>

**AMARILLO COLLEGE
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012**

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass-Through Disbursements</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007	-	\$ 214,530
Federal Work Study Program	84.033	-	179,714
Federal Pell Grant Program	84.063	-	17,029,969
Federal Direct Student Loans	84.268	-	9,814,809
Academic Competitiveness Grant	84.375	-	94
Title III, Hispanic-Serving Institutions Science, Technology, Engineering and Math	84.031C	-	428,360
Title V Grant Developing Hispanic Serving Institutions	84.031S	-	360,644
Total CFDA No. 84.031			<u>789,004</u>
Trio - Student Support Services	84.042A	-	655,118
Migrant Education High School Equivalency Program	84.141A	-	478,251
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	-	919,758
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	124228	568,722
Carl Perkins Vocational Education - Leadership Science Technology, Engineering, and Math	84.048	121101	35,625
Total CFDA No. 84.048			<u>604,347</u>
Institute of Educational Science Statewide Longitudinal Data System	84.372	4232	(10)
Lonestar College System			
Perkins State Leadership	84.048	-	7,745
Total U.S. Department of Education			<u>30,693,329</u>
U.S. Department of Commerce			
Direct Programs:			
National Telecommunications and Information Admin.	11.553	-	16,815
Total U.S. Department of Commerce			<u>16,815</u>
U.S. Department of Labor			
Pass-Through From:			
Texas Workforce Commission			
Apprenticeship Training Program	17.278	0112ATP000	46,687
Total U.S. Department of Labor			<u>46,687</u>
National Science Foundation			
Direct Programs:			
National Science Foundation Advanced Technological Education Solar	47.076	DUE 1002535	268,443
Pass -Through From:			
Texas Engineering Experiment Station			
National Science Foundation - Science, Technology, Engineering and Math	47.076	32525-B4870	66,534
Total National Science Foundation			<u>334,977</u>
U.S. Department of Health and Human Services			
Pass-Through From:			
Partnership for Environmental Technology Education (PETE)			
National Institute of Environmental Health Sciences (NIEHS)	93.142	1U45-ES19388-01DOE	50,000
Total U.S. Department of Health and Human Services			<u>50,000</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 31,141,808</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

AMARILLO COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2012

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

A reconciliation of federal financial assistance per the schedule of operating revenues and nonoperating revenues to the Schedule of Expenditures of Federal Awards is as follows:

Federal Grants and Contracts Revenue per Schedule A	\$ 3,902,692
Federal Grants and Contracts Revenue per Schedule C	17,424,307
Federal Direct Student Loans	<u>9,814,809</u>
Total federal revenues per Schedule of	
Expenditures of Federal Awards	<u>\$31,141,808</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College'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 College 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 College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**AMARILLO COLLEGE
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Skills Development Bell Helicopter Pass-Through From:	0111SDF000	\$ 89,956
Texas State Technical College - Waco Skills Development Northwest Texas Health Care System	0109SDF000	<u>1,938</u>
Total Skills Development		<u>91,894</u>
Apprenticeship Training Program	0112ATP000	<u>73,589</u>
Total Texas Workforce Commission		<u>165,483</u>
Texas Department of Criminal Justice		
Pass-Through From:		
Panhandle Regional Planning Commission Law Enforcement Training	1426913	<u>70,048</u>
Texas Higher Education Coordinating Board		
Texas Grant Program	-	649,769
Texas Educational Opportunity Grant	-	158,653
Regional College Readiness Special Advisor (RCRSA)	04254/10312	58,563
Accelerated Development Education Pilot Project	-	37,598
Top 10% Scholarships	-	28,000
Nursing Shortage Reduction Regular	-	65,675
Nursing Shortage Reduction <70	-	175,713
Adult Basic Education Innovation Grant (ABEIG)	07045	212,158
State of Texas Assessment of Academic Readiness (STAAR)	-	5,500
Advancement Via Individual Determination (AVID)	07245	<u>64,325</u>
Total Texas Higher Education Coordinating Board		<u>1,455,954</u>
TOTAL EXPENDITURES OF STATE OF TEXAS AWARDS		<u>\$ 1,691,485</u>

See accompanying notes to the Schedule of Expenditures of State of Texas Awards.

AMARILLO COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
August 31, 2012

NOTE 1 - STATE ASSISTANCE RECONCILIATION

A reconciliation of state financial assistance per the schedule of operating revenues to the Schedule of Expenditures of State of Texas Awards is as follows:

State Grants and Contracts Revenue per Schedule A	<u>\$ 1,691,485</u>
Total Grants and Contracts Revenue per Schedule F	<u>\$ 1,691,485</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for the College's significant accounting policies. These expenditures are reported on the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

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SINGLE AUDIT SECTION

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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*

Board of Regents
Amarillo College
Amarillo, Texas

We have audited the financial statements of Amarillo College (the College) as of and for the year ended August 31, 2012 and have issued our report thereon dated November 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

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

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

Connor, McMillen, Mitchell & Sherman, PLLC

Amarillo, Texas
November 27, 2012

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**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance with
OMB Circular A-133 and the State of Texas Single Audit Circular**

Board of Regents
Amarillo College
Amarillo, Texas

Compliance

We have audited Amarillo College's (the College) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the State of Texas Single Audit Circular that could have a direct and material effect on each of the College's major federal programs and state programs for the year ended August 31, 2012. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

In our opinion, the College 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 and state programs for the year ended August 31, 2012. However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular and which are described in the accompanying schedule of findings and questioned costs as items 2012-01, 2012-03, 2012-04 and 2012-05.

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Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-01 through 2012-06. 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 or 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 College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

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

Connor, McMillan, Mitchell & Shennan, PLLC

Amarillo, Texas
November 27, 2012

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**AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2012**

SECTION I – Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

The Auditor's report expresses an unqualified opinion on the financial statements of Amarillo College.

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes none reported

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

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

 X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal/State Program or Cluster</u>
<i>Federal programs</i>	U.S. Department of Education
	<i>Student Financial Aid Cluster</i>
84.007	Federal Supplemental Educational Opportunity Grant Program (FSEOG)
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.375	Academic Competitiveness Grant
84.031C	Title III, Hispanic-Serving Institutions Science, Technology, Engineering, and Math
84.042A	Trio - Student Support Services
84.048	Carl Perkins Vocational Education - Basic/Carl Perkins Vocational Education - Leadership Science, Technology, Engineering, and Math/ Perkins State Leadership
84.334A	Gaining Early Awareness and Readiness for Undergraduate Programs
	National Science Foundation
47.076	National Science Foundation Advanced Technological Education Solar/Science, Technology, Engineering, and Math
<i>State programs</i>	Texas Higher Education Coordinating Board
N/A	Texas Grant Program

Dollar threshold used to distinguish between Type A and Type B programs was: \$ 300,000 - Federal
\$ 300,000 - State

Auditee qualified as a low-risk auditee? X yes no

AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012

SECTION II – Financial Statement Findings

None noted.

SECTION III – Federal and State Award Findings and Questioned Costs

Finding 2012-01

Program: Student Financial Aid Cluster

Condition: Two students that graduated during the year were not reported to the National Student Clearinghouse as graduated.

Criteria: Per the OMB A-133 Compliance Supplement, all student enrollment changes should be reported on a timely basis to the National Student Clearinghouse.

Cause: The College's control system did not identify the two tested students who were "late" graduates.

Effect: The National Student Clearinghouse does not have correct information for their purposes.

Context: A sample of 45 student files was reviewed. This item represents two items tested.

Recommendation: Implement procedures and controls to ensure all students are included in reports to the National Student Clearinghouse.

Views of Responsible Officials and Corrective Action Plan: Processes were amended to include notification to the Clearinghouse for any individual who graduated on a case-by-case basis after end-of-term processes are completed. Processes were put in place to report any new graduates, but gaps were still discovered whereby the College still missed reporting a graduate. New process as of October 5, 2012 to ensure accurate reporting to the Clearinghouse includes:

- New computer programming to post "official degree date" for each student who graduates. (NOTE: This is the step that has been added since the previous audit.)
- Process to find all students who graduated within a specified date range. (Previously, students were missed in this step because the graduation process simply ended an academic program rather than posting the "official degree date.")
- Report submitted to Clearinghouse weekly.
- This process was fully tested and is in place in the live Colleague account.

AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012

SECTION III – Federal and State Award Findings and Questioned Costs (Continued)

Finding 2012-02

Program: Student Financial Aid Cluster

Condition: The amount of total Pell expenditures as reported on the annual Fiscal Operations Report and Application to Participate (FISAP) was incorrect.

Criteria: The College should report the amount of total Pell expenditures on the annual FISAP. The College reported the accepted award amount rather than the actual expenditure amount.

Cause: No individual in the Student Financial Aid department, or the grant accounting department, is reviewing the FISAP before it is submitted.

Effect: The information reported to the U.S. Department of Education was incorrect. Incorrect reporting could result in the termination of the grant agreement.

Context: Test work was performed on the annual FISAP filed with the Department of Education.

Recommendation: An individual in either the Student Financial Aid department or the grant accounting department should perform a documented review and approval of the FISAP before it is submitted. The person performing this review and approval should be different than the individual responsible for completing the FISAP.

Views of Responsible Officials and Corrective Action Plan: Processes have been amended to review all data contained in the FISAP prior to submitting to the Department of Education. The Director of Financial Aid is responsible for completing the FISAP. The Associate Director will review all data for accuracy prior to the report being mailed by the Director. A signed and dated copy will be kept in the Director's office indicating the FISAP data was reviewed by both parties before being submitted.

Finding 2012-03

Program: 84.334A - Gaining Early Awareness and Readiness for Undergraduate Programs

Condition: A program expenditure had no documentation of approval by either the project manager's supervisor or the grant accounting manager.

Criteria: The review and approval of expenses by individuals other than the individual initiating the expenditure is a key internal control process.

Cause: Lack of internal controls over the review of expenditures related to Amarillo College print shop charges.

AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012

SECTION III – Federal and State Award Findings and Questioned Costs (Continued)

Finding 2012-03 (Continued)

Effect: An expenditure that is not properly reviewed could be an unallowable cost.

Context: A sample of 40 expenditures was selected for test work. This item represents one item tested.

Recommendation: The College should initiate a documented review process for all inter-college charges to grant programs.

Views of Responsible Officials and Corrective Action Plan: In October of 2012 Grant Accounting and Grant Compliance drafted a clarification and procedure document concerning prior approval on certain types of expenses such as Print Shop charges, Bookstore purchases, procurement card purchases, etc. In the document it was clearly stated what constituted prior approval and how that approval was to be obtained and documented with the paperwork for the expenditure. It was reiterated that prior approval was to take place before anything was even ordered. These clarifications and procedures were emailed to all Grant Project Directors on October 29, 2012. Additionally, purchases without proper documented approval will be transferred to the Institutional Budget.

Finding 2012-04

Program: 47.076 - National Science Foundation – Science Technology Engineering Mathematics

Condition: Adequate internal controls are not in place to help ensure that the program stays in compliance with the *Statement of Services To Be Performed* as outlined in the grant Intrasystem Agreement.

Criteria: Adequate monitoring of the program's compliance with grant specific requirements is a necessary internal control.

Cause: There are no policies or procedures in place to ensure that the program is in compliance with the requirements outlined in the grant document.

Effect: Noncompliance with grant requirements could result in termination of the grant agreement.

Context: A sample of ten scholarship recipients was selected to ascertain if it was adequately documented that the recipients complied with various aspects of the grant document. It was noted that adequate documentation was not in place for four of the students selected.

AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012

SECTION III – Federal and State Award Findings and Questioned Costs (Continued)

Finding 2012-04 (Continued)

Recommendation: The College should designate an individual to monitor all scholarship recipients and to ensure that each recipient meets the program requirements outlined in the grant Intrasystem Agreement. Adequate documentation should be kept of each recipient's compliance with the grant requirements.

Views of Responsible Officials and Corrective Action Plan: In preparation for the Fall 2012 scholarship award cycle, the College identified the need for tighter internal project management controls for its S-STEM Scholarships grant. Beginning with the Fall 2012 award cycle, the College has designated the Senior Director of Grants as the single point of contact for project management procedures. The S-STEM Principal Investigator will continue to provide administrative oversight for the project, as she has during Grant Year One. The S-STEM Project Coordinator will continue to provide administrative support for this grant project.

The Senior Director of Grants has already begun to work closely with the Principal Investigator and Project Coordinator to streamline and refine S-STEM policies and procedures.

It should be noted that policies and procedures were in place prior to the Fall 2012 scholarship award cycle; however, the College identified a need to strengthen these internal controls for documentation of grant requirements.

Finding 2012-05

Program: 47.076 - National Science Foundation – Science Technology Engineering Mathematics

Condition: Eight scholarship recipients did not participate in a minimum of five hours of mentoring activities per month, and three scholarship recipients did not meet with an advisor for academic advising, career advising and/or transfer to a four-year university advising.

Criteria: Per the grant agreement, the College faculty mentors and scholarship recipients will be required to engage in a minimum of five hours of mentoring activities per month. Additionally, the College scholarship recipients will be required to meet at least once per semester with their advisor for academic advising, career advising and/or transfer to a four-year university advising.

AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012

SECTION III – Federal and State Award Findings and Questioned Costs (Continued)

Finding 2012-05 (Continued)

Cause: Adequate internal controls were not in place to ensure that scholarship recipients were in compliance with grant requirements.

Effect: Noncompliance with grant documents could result in termination of the grant agreement.

Context: A sample of ten students was reviewed. Eight of the ten students did not meet the mentoring requirements as outlined in the grant agreement. Of these eight students, four did not have adequate documentation of their mentoring activities, and four did have adequate documentation but did not meet grant requirements. Three of the ten students did not meet the academic advising requirement. All three of these students did not have adequate documentation of their academic advising activities.

Recommendation: The College should designate an individual to monitor all scholarship recipients and to ensure that each recipient meets the program requirements outlined in the grant Intrasystem Agreement. Adequate documentation should be kept of each recipient's compliance with the grant requirements.

Views of Responsible Officials and Corrective Action Plan: In preparation for the Fall 2012 scholarship award cycle, the College identified the need for tighter internal project management controls for its S-STEM Scholarships grant. Beginning with the Fall 2012 award cycle, the College has designated the Senior Director of Grants as the single point of contact for project management procedures. The S-STEM Principal Investigator will continue to provide administrative oversight for the project, as she has during Grant Year One. The S-STEM Project Coordinator will continue to provide administrative support for this grant project.

The Senior Director of Grants has already begun to work closely with the Principal Investigator and Project Coordinator to streamline and refine S-STEM policies and procedures.

In addition, the College has implemented new monitoring procedures to more closely track student activities and reporting of these activities. This is in recognition that required activities that were known to have taken place in previous semesters were not adequately documented.

AMARILLO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012

SECTION III – Federal and State Award Findings and Questioned Costs (Continued)

Finding 2012-06

Program: 47.076 - National Science Foundation – Science Technology Engineering Mathematics

Condition: The amount of total scholarship awards as reported to the National Science Foundation in the annual performance report was incorrect.

Criteria: Grant documents require the College to report the total amount of scholarship awards to the National Science Foundation on an annual basis.

Cause: An incorrect scholarship award amount was reported for one scholarship recipient. Reconciliation between total scholarships as reported by the Student Financial Aid department and total scholarships on the annual performance report was not performed.

Effect: The amount of scholarship awards reported to the National Science Foundation is incorrect. Incorrect reporting could result in termination of the grant agreement.

Context: Test work was performed on the annual performance report filed with the National Science Foundation.

Recommendation: An individual should review the completed annual performance report and reconcile total scholarship awards reported to total scholarship awards per the Student Financial Aid office. Documentation of this reconciliation should be kept. The person reviewing the report and performing the reconciliation should be different than the individual who prepares the report.

Views of Responsible Officials and Corrective Action Plan: Current College grant procedures in place for reviewing programmatic and fiscal reports should have prevented this data entry mistake. It should be noted that the scholarship award amount reported by the College's Financial Aid Office was accurate, as was the reimbursement amount the College received from National Science Foundation.

In FY 2013, the College will attempt to correct the inaccurate amount originally reported to National Science Foundation, if allowed to do so.

Coupled with the initiative for stronger internal controls, the College will implement an additional level of review for the S-STEM reports to the funding agency. The College's Senior Director of Grants will be responsible for preparing the report. The Principal Investigator and the College's Office of Grant Compliance will review the report before submission. In addition, the College Offices of Grant Compliance and Grant Accounting will conduct a final reconciliation of the scholarship awards prior to reporting the information to the funding agency.

**AMARILLO COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2012**

Finding 2012-01

Condition: Two students that graduated during the year were not reported to the National Student Clearinghouse as graduated.

Corrective Action Plan: Processes were amended to include notification to the Clearinghouse for any individual who graduated on a case-by-case basis after end-of-term processes are completed. Processes were put in place to report any new graduates, but gaps were still discovered whereby the College still missed reporting a graduate. New process as of October 5, 2012 to ensure accurate reporting to the Clearinghouse includes:

- New computer programming to post "official degree date" for each student who graduates. (NOTE: This is the step that has been added since the previous audit.)
- Process to find all students who graduated within a specified date range. (Previously, students were missed in this step because the graduation process simply ended an academic program rather than posting the "official degree date.")
- Report submitted to Clearinghouse weekly.
- This process was fully tested and is in place in the live Colleague account.

Finding 2012-02

Condition: The amount of total Pell expenditures as reported on the annual Fiscal Operations Report and Application to Participate (FISAP) was incorrect.

Corrective Action Plan: Processes have been amended to review all data contained in the FISAP prior to submitting to the Department of Education. The Director of Financial Aid is responsible for completing the FISAP. The Associate Director will review all data for accuracy prior to the report being mailed by the Director. A signed and dated copy will be kept in the Director's office indicating the FISAP data was reviewed by both parties before being submitted.

Finding 2012-03

Condition: A program expenditure had no documentation of approval by either the project manager's supervisor or the grant accounting manager.

**AMARILLO COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012**

Finding 2012-03 (Continued)

Corrective Action Plan:

In October of 2012 Grant Accounting and Grant Compliance drafted a clarification and procedure document concerning prior approval on certain types of expenses such as Print Shop charges, Bookstore purchases, procurement card purchases, etc. In the document it was clearly stated what constituted prior approval and how that approval was to be obtained and documented with the paperwork for the expenditure. It was reiterated that prior approval was to take place before anything was even ordered. These clarifications and procedures were emailed to all Grant Project Directors on October 29, 2012. Additionally, purchases without proper documented approval will be transferred to the Institutional Budget.

Finding 2012-04

Condition:

Adequate internal controls are not in place to help ensure that the program stays in compliance with the *Statement of Services To Be Performed* as outlined in the grant Intrasystem Agreement.

Corrective Action Plan:

In preparation for the Fall 2012 scholarship award cycle, the College identified the need for tighter internal project management controls for its S-STEM Scholarships grant. Beginning with the Fall 2012 award cycle, the College has designated the Senior Director of Grants as the single point of contact for project management procedures. The S-STEM Principal Investigator will continue to provide administrative oversight for the project, as she has during Grant Year One. The S-STEM Project Coordinator will continue to provide administrative support for this grant project.

The Senior Director of Grants has already begun to work closely with the Principal Investigator and Project Coordinator to streamline and refine S-STEM policies and procedures.

It should be noted that policies and procedures were in place prior to the Fall 2012 scholarship award cycle; however, the College identified a need to strengthen these internal controls for documentation of grant requirements..

Finding 2012-05

Condition:

Eight scholarship recipients did not participate in a minimum of five hours of mentoring activities per month, and three scholarship recipients did not meet with an advisor for academic advising, career advising and/or transfer to a four-year university advising.

**AMARILLO COLLEGE
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED
Year Ended August 31, 2012**

Finding 2012-05 (Continued)

Views of Responsible Officials and Corrective Action Plan: In preparation for the Fall 2012 scholarship award cycle, the College identified the need for tighter internal project management controls for its S-STEM Scholarships grant. Beginning with the Fall 2012 award cycle, the College has designated the Senior Director of Grants as the single point of contact for project management procedures. The S-STEM Principal Investigator will continue to provide administrative oversight for the project, as she has during Grant Year One. The S-STEM Project Coordinator will continue to provide administrative support for this grant project.

The Senior Director of Grants has already begun to work closely with the Principal Investigator and Project Coordinator to streamline and refine S-STEM policies and procedures.

In addition, the College has implemented new monitoring procedures to more closely track student activities and reporting of these activities. This is in recognition that required activities that were known to have taken place in previous semesters were not adequately documented.

Finding 2012-06

Condition: The amount of total scholarship awards as reported to the National Science Foundation in the annual performance report was incorrect.

Views of Responsible Officials and Corrective Action Plan: Current College grant procedures in place for reviewing programmatic and fiscal reports should have prevented this data entry mistake. It should be noted that the scholarship award amount reported by the College's Financial Aid Office was accurate, as was the reimbursement amount AC received from National Science Foundation.

In FY 2013, the College will attempt to correct the inaccurate amount originally reported to National Science Foundation, if allowed to do so.

Coupled with the initiative for stronger internal controls, the College will implement an additional level of review for the S-STEM reports to the funding agency. The College's Senior Director of Grants will be responsible for preparing the report. The Principal Investigator and the College's Office of Grant Compliance will review the report before submission. In addition, the College's Offices of Grant Compliance and Grant Accounting will conduct a final reconciliation of the scholarship awards prior to reporting the information to the funding agency.

**AMARILLO COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2012**

Finding 2011-01

Condition: A student that graduated during the year was not reported to the National Student Clearinghouse as graduated.

Recommendation: Implement procedures and controls to ensure all students are included in reports to the National Student Clearinghouse.

Current Status: Processes were amended to include notification to the Clearinghouse for any individual who graduated on a case-by-case basis after end-of-term processes are completed. Processes were put in place to report any new graduates, but gaps were still discovered whereby the College still missed reporting a graduate. New process as of October 5, 2012 to ensure accurate reporting to the clearinghouse includes:

- New computer programming to post "official degree date" for each student who graduates (NOTE: This is the step that has been added since the previous audit.)
- Process to find all students who graduated within a specified date range. (Previously students were missed in this step because the graduation process simply ended an academic program rather than posting the "official degree date.")
- Report submitted to clearinghouse weekly.
- This process was fully tested and is in place in the live Colleague account.

Finding 2011-02

Condition: Funds were not disbursed within five days of the advance request being received.

Recommendation: Implement procedures to ensure disbursements are being made within in the appropriate timeline.

Current Status Texas Grant funds are requested through the Texas Higher Education Coordinating Board in relatively small amounts. This practice gives the Financial Aid Office adequate time to check students for eligibility prior to issuing awards. Most importantly, this practice ensures that the Business Office has time necessary to run processes that disburse the funds to the student's account receivable within the five-day time frame. After the first request is processed, additional funds are then requested as needed. Funds that have not been awarded by noon on the fifth day of the disbursement period are returned to the Texas Higher Education Coordinating Board via Electronic Fund Transfer (EFT). Finally, an e-mail is sent to the Associate Director of Financial Aid (or the Director in her absence) to the appropriate Business Office staff, and to the Co-Board staff member in charge of the Texas Grant Program requesting that the funds be returned that day.

AMARILLO COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, CONTINUED
Year Ended August 31, 2012

Finding 2011-03

Condition: The College received and paid an expenditure relating to the 2009-2010 fiscal year grant during the fiscal year 2010-2011 and subsequently charged the expenditure to the 2010-2011 fiscal grant year.

Recommendation: Policies and procedures for processing grant expenditures should be reviewed with College personnel to ensure grant expenditures are charged during the proper period of availability.

Current Status: The procedures put in place to ensure that grant expenditures are charged during the proper period are as follows:

- Beginning with Adult Student Programs, all receipts and invoices are checked by highlighting the dates to determine if the gasoline/bus tickets or childcare was provided within the parameters of the grant provisions.
- The receipts/invoices are then sent to the Grant Accounting Manager to double check. If they are okay, then the receipts/invoices are sent to the Accounting Clerk III who checks them again before payment is sent out.
- Changes were made in the contracts signed by students to insure there was no confusion on the part of the student. Students are also told verbally when they come in to sign their contracts and that payment will not be made for purchases or services before September 1.
- For the Spring semester, the College also checks to make sure that gas receipt/invoice dates are for dates at the beginning and end of the semesters.
- All contracts are closed before the ending work days of each semester.

Finding 2011-04

Condition: The vendors of purchases over \$25,000 (covered transactions) were not verified to ensure they are not suspended or debarred.

Recommendation: The appropriate College personnel should read grant agreements more thoroughly to ensure all grant requirements are being followed. The College should also implement a policy that will ensure that vendors of all covered transactions are verified.

Current Status: Purchasing Director, Vickie Shelton put into writing and action according to Purchasing Guidelines on page 11, (see attached information) under the section of "Covered Transactions in the amount of \$25,000 or more." This action was implemented in October 2011. Vickie Shelton ran an EPLS on all vendors of the College with transactions in the amount

AMARILLO COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, CONTINUED
Year Ended August 31, 2012

Finding 2011-04 (Continued)

of \$10,000 or more regardless of source of funds, and verified to management that we had no vendors that showed suspension or debarment issues. This procedure responsibility was given to Vickie Shelton, Director of Purchasing, to ensure that this verification process was being completed, prior to making a covered transaction award to prevent any liability for the College. A filing system was created by the Director of Purchasing to track documentation, as required.

Finding 2011-05

Condition: The annual report and two of the quarterly progress reports were not submitted timely to the Texas Higher Education Coordinating Board.

Recommendation: The appropriate College personnel should read grant agreements more thoroughly to ensure all grant requirements are being followed. The College should also implement a policy to ensure that submission of reports is made on a timely basis.

Current Status: The Office of Grant Compliance works closely with the Perkins Administrator and the College's Senior Director of Grants to ensure that all programmatic reports are completed and submitted by the established due date. Due dates are calendared with enough advance notice to allow for timely collection of report data and other relevant information.

All reports for the 2011-2012 grant year were submitted on time and were approved by Texas Higher Education Coordinating Board without need for revision.

Finding 2011-06

Condition: The College received and paid an expenditure relating to the 2009-2010 fiscal year grant during the fiscal year 2010-2011 and subsequently charged the expenditure to the 2010-2011 fiscal grant year.

Recommendation: Policies and procedures for processing grant expenditures should be reviewed with College personnel to ensure grant expenditures are charged during the proper period of availability.

Current Status: Currently, the Grant Accounting Staff, Grant Compliance Officer and project staff meet quarterly to discuss grant issues. At these meetings all personnel are reminded to be on the alert for invoices, etc., which might be outside of the award period. Additionally, all payments are reviewed by both Grant Compliance and Grant Accounting.

AMARILLO COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, CONTINUED
Year Ended August 31, 2012

Finding 2011-07

Condition: The budget and interim annual performance report submitted during the fiscal year 2010-2011 did not report the indirect cost section correctly.

Recommendation: All reports submitted to federal or state agencies should be reviewed and approved by an individual that is not responsible for completing the report, and there should be documentation of the review and approval.

Current Status: All reports are reviewed by Grant Compliance and Grant Accounting for correctness of data.

Finding 2011-08

Condition: The College did not post notice of the rights and remedies of employees in reporting abuse of Recovery Act Funds.

Recommendation: The appropriate College personnel should read grant agreements more thoroughly to ensure all grant requirements are being followed. The College should also establish policies and procedures to ensure that grant requirements are being followed.

Current Status: A sign was posted in the Human Resources Office.

Finding 2011-09

Condition: There is no documentation of review and approval of the monthly progress reports prepared by the project director and submitted to the State of Texas.

Recommendation: All reports submitted to federal or state agencies should be reviewed and approved by an individual that is not responsible for completing the report, and there should be documentation of the review and approval.

Current Status: The process now is that the project manager develops the report, then submits the report to the Grant Compliance Officer for approval. After review by Jennifer Ashcraft, Grant Compliance Officer, she sends via email her approved report or a report with required changes/additions. The project manager then submits the report as approved by the Grants Compliance Officer.

AMARILLO COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, CONTINUED
Year Ended August 31, 2012

Finding 2011-10

Condition: The October 2010 Use of Funds Report did not report the correct amount of total outlays of ARRA funds. The report should include the total cumulative amount of outlays and not the monthly amount.

Recommendation: All reports submitted to federal or state agencies should be reviewed and approved by an individual that is not responsible for completing the report, and there should be documentation of the review and approval.

Current Status: The process now is that the project manager develops the report, then submits the report to the Grant Compliance Officer for approval. After review by Jennifer Ashcraft, Grant Compliance Officer, she sends via email her approved report or a report with required changes/additions. The project manager then submits the report as approved by the Grants Compliance Officer.

Finding 2011-11

Condition: Constitution Day was held on September 14, 2010 instead of September 17, 2010.

Recommendation: The appropriate College personnel should read grant agreements more thoroughly to ensure that all grant requirements are being followed and research any requirement if further understanding is needed. The College should also establish policies and procedures to ensure that grant requirements are being followed.

Current Status: The Financial Aid Office is the responsible party for the celebration of Constitution Day. This office has been made aware of the federal guidelines requiring that Constitution Day be celebrated on September 17 unless this day falls on a holiday, Saturday or Sunday. In this case, the celebration can be held either the week before or after. In both 2011 and 2012, Constitution Day was held according to federal guidelines.

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STATISTICAL SUPPLEMENT
(Unaudited)

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Amarillo College
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2003 to 2012
(unaudited)

For the Fiscal Year Ended August 31,
(amounts expressed in Thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$ 61,057	\$ 65,464	\$ 66,184	\$ 71,483	\$ 71,488	\$ 74,600	\$ 73,263	\$ 80,492	\$ 80,473	\$ 82,525
Restricted - expendable	11,621	8,499	8,428	8,250	8,406	8,730	8,117	7,121	6,592	6,204
Restricted - nonexpendable	2,500	2,620	2,590	2,590	2,530	2,530	2,500	2,500	2,000	2,000
Unrestricted	26,903	24,155	21,996	21,079	19,507	17,294	15,780	15,237	14,594	14,487
Total primary government net assets	\$ 102,081	\$ 100,738	\$ 99,198	\$ 103,402	\$ 101,931	\$ 103,154	\$ 99,660	\$ 105,350	\$ 103,659	\$ 105,216

Amarillo College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2003 to 2012
(unaudited)

For the Year Ended August 31,
(amounts expressed in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	\$ 15,109	\$ 13,170	\$ 12,778	\$ 11,741	\$ 10,579	\$ 9,899	\$ 9,385	\$ 8,715	\$ 7,780	\$ 5,960
Governmental grants and contracts										
Federal grants and contracts	3,903	4,452	6,172	4,924	3,447	2,874	2,702	2,171	2,111	1,933
State grants and contracts	1,691	1,876	1,788	1,191	1,213	1,212	1,449	1,065	1,520	2,025
Local grants and contracts	1,891	1,953	1,813	2,009	1,582	1,444	1,282	1,173	889	839
Nongovernmental grants and contracts	1,749	1,557	1,164	1,438	1,190	1,220	1,725	2,357	1,165	1,366
Sales and services of educational activities	532	524	580	540	464	457	440	464	547	601
Auxiliary enterprises	6,950	6,907	7,182	6,931	6,245	6,066	6,842	6,420	6,048	5,880
Other operating revenues	82	215	186	285	222	222	207	133	7	43
Total operating revenues	31,907	30,654	31,663	29,059	24,942	23,394	24,032	22,498	20,067	18,647
State appropriations	18,322	21,177	21,458	22,597	22,511	22,003	21,787	19,766	19,410	20,236
Ad valorem taxes	19,209	18,881	18,160	17,668	14,855	13,555	12,774	12,304	11,505	10,755
Federal revenue, nonoperating	17,424	20,067	17,153	11,569	8,609	7,995	8,591	8,777	9,027	7,654
Gifts	3,091	186	39	38	138	45	6	849	77	1,500
Investment income	444	571	334	545	744	1,545	1,169	707	383	345
Other nonoperating revenues	44	30	76	18	27	5	9	10	2	(61)
Total nonoperating revenues	58,534	60,912	57,220	52,435	46,884	45,148	44,336	42,413	40,404	40,429
TOTAL REVENUES	\$ 90,441	\$ 91,566	\$ 88,883	\$ 81,494	\$ 71,826	\$ 68,542	\$ 68,368	\$ 64,911	\$ 60,471	\$ 59,076

For the Year Ended August 31,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	16.71%	14.38%	14.38%	14.41%	14.73%	14.44%	13.73%	13.43%	12.87%	10.09%
Governmental grants and contracts										
Federal grants and contracts	4.32%	4.86%	6.94%	6.04%	4.80%	4.19%	3.95%	3.34%	3.49%	3.27%
State grants and contracts	1.87%	2.05%	2.01%	1.46%	1.69%	1.77%	2.12%	1.64%	2.51%	3.43%
Local grants and contracts	2.09%	2.13%	2.04%	2.47%	2.20%	2.11%	1.88%	1.81%	1.47%	1.42%
Nongovernmental grants and contracts	1.93%	1.70%	1.31%	1.77%	1.66%	1.78%	2.52%	3.63%	1.93%	2.31%
Sales and services of educational activities	0.59%	0.57%	0.65%	0.66%	0.65%	0.67%	0.64%	0.71%	0.90%	1.02%
Auxiliary enterprises	7.68%	7.55%	8.08%	8.50%	8.69%	8.85%	10.01%	9.89%	10.00%	9.95%
Other operating revenues	0.09%	0.24%	0.21%	0.35%	0.31%	0.32%	0.30%	0.20%	0.01%	0.07%
Total operating revenues	35.28%	33.48%	35.62%	35.66%	34.73%	34.13%	35.15%	34.65%	33.18%	31.56%
State appropriations	20.26%	23.13%	24.14%	27.73%	31.34%	32.10%	31.87%	30.45%	32.10%	34.25%
Ad valorem taxes	21.24%	20.62%	20.43%	21.68%	20.68%	19.78%	18.68%	18.96%	19.03%	18.21%
Federal revenue, nonoperating	19.26%	21.92%	19.30%	14.20%	11.99%	11.66%	12.57%	13.52%	14.93%	12.96%
Gifts	3.42%	0.20%	0.04%	0.05%	0.19%	0.08%	0.01%	1.31%	0.13%	2.54%
Investment income	0.49%	0.62%	0.38%	0.66%	1.03%	2.24%	1.71%	1.09%	0.63%	0.58%
Other nonoperating revenues	0.05%	0.03%	0.09%	0.02%	0.04%	0.01%	0.01%	0.02%	0.00%	-0.10%
Total nonoperating revenues	64.72%	66.52%	64.38%	64.34%	65.27%	65.87%	64.85%	65.35%	66.82%	68.44%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Amarillo College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2003 to 2012
(unaudited)

For the Year Ended August 31,
(amounts expressed in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$ 30,256	\$ 30,565	\$ 31,266	\$ 29,108	\$ 26,239	\$ 25,492	\$ 27,077	\$ 24,912	\$ 22,842	\$ 22,886
Research	-	-	-	-	-	-	-	-	-	3
Public service	3,402	3,617	3,536	3,456	3,329	3,081	2,922	2,605	2,475	2,517
Academic support	2,675	3,316	3,291	3,223	2,912	2,894	1,657	1,727	1,763	1,720
Student services	3,985	4,084	3,912	3,793	3,159	2,998	2,935	2,810	2,987	2,972
Institutional support	12,586	12,322	12,176	11,584	11,271	10,307	9,605	9,308	8,349	7,996
Operation and maintenance of plant	7,411	7,168	8,104	6,165	5,783	5,636	5,468	4,807	4,688	4,758
Scholarships and fellowships	11,833	15,329	13,418	8,793	5,731	5,048	6,745	7,156	7,735	5,945
Auxiliary enterprises	6,577	6,596	6,742	6,171	5,920	5,589	5,552	5,271	5,182	4,899
Depreciation	4,994	4,568	4,145	3,585	3,452	3,453	3,563	3,212	3,141	3,095
Total operating expenses	83,719	87,565	86,590	75,878	67,796	64,498	65,524	61,808	59,162	56,791
Interest on capital related debt	2,401	2,430	1,959	1,515	484	538	678	1,093	899	1,222
Loss on disposal of fixed assets	24	31	66	141	206	14	35	310	11	67
Total nonoperating expenses	2,425	2,461	2,025	1,656	690	552	713	1,403	910	1,289
TOTAL EXPENSES	\$ 86,144	\$ 90,026	\$ 88,615	\$ 77,534	\$ 68,486	\$ 65,050	\$ 66,237	\$ 63,211	\$ 60,072	\$ 58,080

For the Year Ended August 31,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	35.12%	33.95%	35.28%	37.54%	38.31%	39.19%	40.88%	39.41%	38.02%	39.40%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
Public service	3.95%	4.02%	3.99%	4.46%	4.86%	4.74%	4.41%	4.12%	4.12%	4.33%
Academic support	3.10%	3.68%	3.71%	4.16%	4.25%	4.45%	2.50%	2.73%	2.93%	2.96%
Student services	4.63%	4.54%	4.41%	4.89%	4.61%	4.61%	4.43%	4.45%	4.97%	5.12%
Institutional support	14.61%	13.69%	13.74%	14.94%	16.46%	15.84%	14.50%	14.73%	13.90%	13.77%
Operation and maintenance of plant	8.60%	7.96%	9.15%	7.95%	8.45%	8.66%	8.26%	7.60%	7.80%	8.19%
Scholarships and fellowships	13.74%	17.03%	15.14%	11.34%	8.37%	7.76%	10.18%	11.32%	12.88%	10.24%
Auxiliary enterprises	7.63%	7.33%	7.61%	7.96%	8.64%	8.59%	8.38%	8.34%	8.63%	8.43%
Depreciation	5.80%	5.07%	4.68%	4.62%	5.04%	5.31%	5.38%	5.08%	5.23%	5.33%
Total operating expenses	97.18%	97.27%	97.71%	97.86%	98.99%	99.15%	98.92%	97.78%	98.48%	97.78%
Interest on capital related debt	2.79%	2.70%	2.22%	1.96%	0.71%	0.83%	1.03%	1.73%	1.50%	2.10%
Loss on disposal of fixed assets	0.03%	0.03%	0.07%	0.18%	0.30%	0.02%	0.05%	0.49%	0.02%	0.12%
Total nonoperating expenses	2.82%	2.73%	2.29%	2.14%	1.01%	0.85%	1.08%	2.22%	1.52%	2.22%
TOTAL EXPENSES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Amarillo College
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Learning Resource Fee (per student)	In-District Tuition	Out-of-District Tuition	Matriculation & General Fee	Technology Fees	Student Activity Fees	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
2011	\$ -	\$ 40.00	\$ 36.00	\$ 19.00	\$ 9.00	\$ 1.75	\$ 837.00	\$ 1,269.00	11.16%	24.78%
2010	-	36.00	22.00	16.00	9.00	1.75	753.00	1,017.00	6.81%	11.88%
2009	-	34.00	17.00	15.00	8.00	1.75	705.00	909.00	0.00%	0.00%
2008	-	34.00	17.00	15.00	8.00	1.75	705.00	909.00	9.30%	8.60%
2007	-	32.00	16.00	13.00	7.00	1.75	645.00	837.00	9.14%	6.90%
2006	-	32.00	16.00	11.00	5.00	1.25	591.00	783.00	26.28%	20.83%
2005	3.00	30.00	15.00	7.50	-	1.25	468.00	648.00	9.86%	9.09%
2004	3.00	27.00	14.00	7.00	-	1.25	426.00	594.00	7.58%	10.00%
2003	3.00	26.00	12.00	5.50	-	1.25	396.00	540.00	10.92%	10.43%
2002	3.00	23.00	11.00	5.50	-	1.00	357.00	489.00	7.21%	5.16%

Non - Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Learning Resource Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Matriculation & General Fee	Technology Fees	Student Activity Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2011	\$ -	\$ 136.00	\$ -	\$ 19.00	\$ 9.00	\$ 1.75	\$ 1,989.00	\$ -	32.87%	-
2010	-	98.00	-	16.00	9.00	1.75	1,497.00	-	11.63%	-
2009	-	87.00	-	15.00	8.00	1.75	1,341.00	-	0.00%	-
2008	-	87.00	-	15.00	8.00	1.75	1,341.00	-	7.71%	-
2007	-	82.00	-	13.00	7.00	1.75	1,245.00	-	4.53%	-
2006	-	82.00	-	11.00	5.00	1.25	1,191.00	-	14.08%	-
2005	3.00	78.00	-	7.50	-	1.25	1,044.00	-	6.75%	-
2004	3.00	73.00	-	7.00	-	1.25	978.00	-	8.67%	-
2003	3.00	68.00	-	5.50	-	1.25	900.00	-	11.52%	-
2002	3.00	60.50	-	5.50	-	1.00	807.00	-	3.07%	-

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

Amarillo College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2011-12	\$ 12,206,296	\$ 1,864,211	\$ 10,342,085	84.73%	\$ 0.14241	\$ 0.04697	\$ 0.18938
2010-11	11,735,501	1,598,430	10,137,071	86.38%	0.14149	0.04847	0.18996
2009-10	11,643,501	1,574,152	10,069,349	86.48%	0.14064	0.04349	0.18413
2008-09	11,336,432	1,553,559	9,782,873	86.30%	0.14064	0.04331	0.18395
2007-08	10,688,693	1,484,717	9,203,976	86.11%	0.13650	0.02393	0.16043
2006-07	9,795,811	1,379,051	8,416,760	85.92%	0.13467	0.02576	0.16043
2005-06	9,237,011	1,336,897	7,900,114	85.53%	0.13296	0.02747	0.16043
2004-05	8,857,623	1,277,888	7,579,735	85.57%	0.13169	0.02874	0.16043
2003-04	8,086,847	963,665	7,123,182	88.08%	0.12868	0.03074	0.15942
2002-03	7,755,235	955,596	6,799,639	87.68%	0.12357	0.03264	0.15621

Source: Local Appraisal District

Notes: Property is assessed at full market value.
(a) per \$100 Taxable Assessed Valuation

Amarillo College
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years

(unaudited)

(dollar amounts expressed in thousands)

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2011-12	\$ 15,321	7,967	\$ 1,923	\$ 3,018	\$ 2,006	\$ 5,024	\$ 3.05
2010-11	15,893	8,091	1,964	3,093	2,097	5,190	3.06
2009-10	16,049	7,516	2,135	3,012	1,974	4,986	3.22
2008-09	17,153	6,725	2,551	2,696	1,881	4,577	3.75
2007-08	17,153	6,894	2,488	2,646	1,928	4,574	3.75
2006-07	16,828	6,943	2,424	2,662	1,926	4,588	3.67
2005-06	16,828	7,170	2,347	2,816	1,987	4,803	3.50
2004-05	15,694	7,556	2,077	2,920	2,026	4,946	3.17
2003-04	15,690	7,303	2,148	2,814	1,945	4,759	3.30
2002-03	16,255	7,003	2,321	2,590	2,098	4,688	3.47

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM001

(b) Source CBM00A

**Amarillo College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)**

		Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
Taxpayer	Type of Business	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Southwestern Public Service	Utility	\$ 86,005	\$ 72,317	\$ 71,458	\$ 78,390	\$ 76,543	\$ 86,938	\$ 106,535	\$ 109,819	\$ 113,266	\$ 117,622
Wal Mart Stores Inc	Retail Store	85,542	84,559	84,745	84,578	79,734	80,832	63,757	57,090	42,927	41,096
Northwest Texas Healthcare Systems Inc	Hospital	84,352	86,142	84,248	82,687	85,284	84,286	-	-	-	-
Amarillo Mall LCC	Retail	63,940	63,954	63,971	64,087	64,078	60,532	60,540	60,566	54,988	-
BNSF Railway Co	Railroad	60,513	52,160	47,574	46,339	42,088	37,210	33,334	31,041	33,202	33,219
Ben E. Keith Company	Warehouse	49,022	47,962	47,954	34,512	34,550	-	-	-	-	-
Amarillo Economic Development Corp.	Com/Eco Dev	39,667	37,797	-	-	-	-	-	-	-	-
Amarillo National Bank	Banking	36,937	37,357	36,860	35,520	34,525	30,056	29,340	29,101	25,893	25,997
Case Newport LP	Housing	34,858	33,337	33,345	35,915	32,855	-	-	-	-	-
Atmos Corp/Energas Co	Utility	33,281	-	27,376	28,763	30,446	26,408	24,182	-	19,606	19,606
UHS of Amarillo Inc	Hospital	-	-	-	-	-	-	84,456	80,327	73,941	68,377
Southwestern Bell Telephone	Utility	-	33,121	38,423	42,236	48,997	45,418	47,618	45,570	50,486	59,123
TCA Cable Partners II	Cable/Utility	-	-	-	-	-	-	16,793	22,155	22,721	23,189
United Supermarkets	Grocery/Retail	-	-	-	-	-	-	16,412	21,292	-	-
Anderson Merchandisers Inc	Warehouse	-	-	-	-	-	-	-	70,348	-	17,311
KIR Amarillo/Soncy LP	Retail	-	-	-	-	-	-	-	-	22,021	-
Schroder Amarillo	Retail	-	-	-	-	-	-	-	-	-	31,967
TCA Cable of Amarillo Inc	Cable/Utility	-	-	-	-	-	18,535	-	-	-	-
Auto Nation	Auto Dealer	-	-	-	-	-	19,267	-	-	-	-
Totals		\$ 574,117	\$ 548,706	\$ 535,954	\$ 533,027	\$ 529,100	\$ 451,680	\$ 482,967	\$ 527,309	\$ 437,030	\$ 405,540
Total Taxable Assessed Value		\$10,342,085	\$10,137,071	\$10,069,349	\$9,782,873	\$9,203,976	\$8,416,760	\$7,900,114	\$7,579,735	\$7,123,182	\$6,799,639

		% of Taxable Assessed Value (TAV) by Tax Year									
Taxpayer	Type of Business	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Southwestern Public Service	Utility	0.83%	0.71%	0.71%	0.80%	0.83%	1.03%	1.35%	1.45%	1.59%	1.73%
Wal Mart Stores Inc	Retail Store	0.83%	0.83%	0.84%	0.86%	0.87%	0.96%	0.81%	0.75%	0.60%	0.60%
Northwest Texas Healthcare Systems Inc	Hospital	0.82%	0.85%	0.84%	0.85%	0.93%	1.00%	-	-	-	-
Amarillo Mall LCC	Retail	0.62%	0.63%	0.64%	0.66%	0.70%	0.72%	0.77%	0.80%	0.77%	-
BNSF Railway Co	Railroad	0.59%	0.51%	0.47%	0.47%	0.46%	0.44%	0.42%	0.41%	0.47%	0.49%
Ben E. Keith Company	Warehouse	0.47%	0.47%	0.48%	0.35%	0.38%	-	-	-	-	-
Amarillo Economic Development Corp.	Com/Eco Dev	0.38%	0.37%	-	-	-	-	-	-	-	-
Amarillo National Bank	Banking	0.36%	0.37%	0.37%	0.36%	0.38%	0.36%	0.37%	0.38%	0.36%	0.38%
Case Newport LP	Housing	0.34%	0.33%	0.33%	0.37%	0.36%	-	-	-	-	-
Atmos Corp/Energas Co	Utility	0.32%	-	0.27%	0.29%	0.33%	0.31%	0.31%	-	0.28%	0.29%
UHS of Amarillo Inc	Hospital	-	-	-	-	-	-	1.07%	1.06%	1.04%	1.01%
Southwestern Bell Telephone	Utility	-	0.33%	0.38%	0.43%	0.53%	0.54%	0.60%	0.60%	0.71%	0.87%
TCA Cable Partners II	Cable/Utility	-	-	-	-	-	-	0.21%	0.29%	0.32%	0.34%
United Supermarkets	Grocery/Retail	-	-	-	-	-	-	0.21%	0.28%	-	-
Anderson Merchandisers Inc	Warehouse	-	-	-	-	-	-	-	0.93%	-	0.25%
KIR Amarillo/Soncy LP	Retail	-	-	-	-	-	-	-	-	0.31%	-
Schroder Amarillo	Retail	-	-	-	-	-	-	-	-	-	0.47%
TCA Cable of Amarillo Inc	Cable/Utility	-	-	-	-	-	0.22%	-	-	-	-
Auto Nation	Auto Dealer	-	-	-	-	-	0.23%	-	-	-	-
Totals		5.56%	5.40%	5.33%	5.44%	5.77%	5.81%	6.11%	6.96%	6.45%	6.43%

Source: Local County Appraisal District

Amarillo College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(dollar amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
2012	\$ 19,104	\$ 32	\$ 19,136	\$ 18,792	98.20%	\$ -	\$ -	\$ 18,792	98.20%
2011	18,750	18	18,768	18,406	98.07%	138	93	18,637	99.30%
2010	18,097	(32)	18,065	17,690	97.93%	244	35	17,969	99.48%
2009	17,559	(24)	17,535	17,150	97.80%	294	25	17,469	99.62%
2008	14,766	(13)	14,753	14,437	97.86%	263	10	14,710	99.71%
2007	13,503	(23)	13,480	13,203	97.95%	237	5	13,445	99.74%
2006	12,674	(19)	12,655	12,393	97.93%	231	3	12,627	99.78%
2005	12,304	-	12,304	11,886	96.60%	392	2	12,280	99.81%
2004	11,505	-	11,505	11,120	96.65%	359	2	11,481	99.79%
2003	10,754	-	10,754	10,299	95.76%	412	1	10,712	99.60%

Source: Local Tax Assessor/Collector and District records.

- (a) As reported in notes to the financial statements for the year of the levy.
- (b) As of August 31st of the current reporting year.
- (c) Property tax only - does not include penalties and interest
- (d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
- (e) Represents current year collections of prior years levies.

Total Collections = C + D + E

Amarillo College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31 (dollar amounts expressed in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Bonded Debt										
General obligation bonds	\$ 70,915	\$ 58,205	\$ 60,320	\$ 46,650	\$ 33,355	\$ 13,155	\$ 14,880	\$ 16,475	\$ 17,565	\$ 18,955
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	70,915	58,205	60,320	46,650	33,355	13,155	14,880	16,475	17,565	18,955
Other Debt										
Revenue bonds	4,470	505	740	965	1,180	1,385	1,580	1,765	1,940	2,110
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	31	62	91	118
Total Outstanding Debt	\$ 75,385	\$ 58,710	\$ 61,060	\$ 47,615	\$ 34,535	\$ 14,540	\$ 16,491	\$ 18,302	\$ 19,596	\$ 21,183

General Bonded Debt Ratios

Per Capita	**	**	\$ 0.32	\$ 0.25	\$ 0.18	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.11
Per FTSE	8.90	7.19	8.03	6.94	4.84	1.89	2.08	2.18	2.41	2.71
As a percentage of Taxable Assessed Value	0.69%	0.57%	0.59%	0.48%	0.36%	0.16%	0.19%	0.22%	0.25%	0.28%

Total Outstanding Debt Ratios

Per Capita	**	**	\$ 0.32	\$ 0.25	\$ 0.19	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12
Per FTSE	9.46	7.26	8.12	7.08	5.01	2.09	2.30	2.42	2.68	3.02
As a percentage of Taxable Assessed Value	0.73%	0.58%	0.60%	0.49%	0.38%	0.17%	0.21%	0.24%	0.28%	0.31%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

** Per the Bureau of Economic Analysis: Estimates of per capital personal income for 2011 will be released with the rest of the Local Area Estimates on November 26th.

Amarillo College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31 (dollar amounts expressed in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 10,342,085	\$ 10,137,071	\$ 10,069,349	\$ 9,782,873	\$ 9,203,976	\$ 8,416,760	\$ 7,900,114	\$ 7,579,735	\$ 7,123,182	\$ 6,799,639
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	51,710	50,685	50,347	48,914	46,020	42,084	39,501	37,899	35,616	33,998
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	51,710	50,685	50,347	48,914	46,020	42,084	39,501	37,899	35,616	33,998
Current Year Debt Service Requirements	4,076	4,784	4,307	4,250	2,197	2,168	2,170	2,178	2,189	2,219
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 47,634	\$ 45,901	\$ 46,040	\$ 44,664	\$ 43,823	\$ 39,916	\$ 37,331	\$ 35,721	\$ 33,427	\$ 31,779
Net Current Requirements as a % of Statutory Limit	7.88%	9.44%	8.55%	8.69%	4.77%	5.15%	5.49%	5.75%	6.14%	6.53%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

Amarillo College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)											Debt Service Requirements (\$000 omitted)			
	Tuition	General Fee	Matriculation Fees	Distance Learning Fee	Out of District Fees	Misc Income Fees	Interest Income	Indirect Cost Recovery	Unrestricted Private Grants	Sales of Educational Activities	Total	Principal	Interest	Total	Coverage Ratio
2012	\$ 2,568	\$ 3,456	\$ -	\$ 505	\$ -	\$ 1,538	\$ 80	\$ 229	\$ 2,063	\$ 531	\$ 10,970	\$ 175	\$ 162	\$ 337	32.55
2011	398	3,082	-	-	1,233	1,338	161	216	2,161	524	9,113	235	36	271	33.63
2010	390	2,826	-	-	969	1,211	70	176	1,997	609	8,248	225	47	272	30.32
2009	337	2,475	-	-	999	996	464	245	2,188	556	8,260	215	57	272	30.36
2008	342	1,118	958	-	943	1,141	571	166	1,807	473	7,519	205	67	272	27.65
2007	343	587	993	-	921	176	941	142	1,710	459	6,272	195	75	270	23.23
2006	348	261	1,042	-	878	221	789	151	1,556	441	5,687	185	84	269	21.14
2005	357	274	1,095	-	792	133	477	165	1,468	464	5,225	175	92	267	19.57
2004	341	89	889	-	683	7	189	169	1,280	541	4,188	170	99	269	15.57
2003	305	84	835	-	570	53	196	82	1,179	601	3,905	165	106	271	14.41

Amarillo College
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2011	193,675	*	*	5.4%
2010	190,695	6,794,463	35,630	5.5%
2009	189,392	6,467,737	34,150	5.2%
2008	187,236	6,502,519	34,729	3.5%
2007	186,106	6,165,506	33,129	3.3%
2006	184,893	5,745,550	31,075	3.7%
2005	183,021	5,403,695	29,525	3.9%
2004	180,490	5,013,110	27,775	4.5%
2003	178,543	4,766,027	26,694	5.2%
2002	176,336	4,400,932	24,958	4.9%

Sources:

Population from U.S. Bureau of the Census.
Personal income from U.S. Bureau of Economic Analysis
Unemployment rate from Texas Workforce Commission

Notes:

Prior to 2003, District Personal Income per Capita is based on the Amarillo Metropolitan Statistical Area (Armstrong, Carson, Potter & Randall Counties).

* Per the Bureau of Economic Analysis: Estimates of per capita personal income for 2011 will be released with the rest of the Local Area estimates on November 26th

Amarillo College
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(unaudited)

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Amarillo Independent School District	4,139	4.23%
Tyson Foods, Inc.	3,700	3.78%
B&W Pantex	3,398	3.47%
Baptist St. Anthony's Health Care Systems	2,700	2.76%
City of Amarillo	2,012	2.05%
Northwest Texas Healthcare System	1,490	1.52%
Texas Department of Criminal Justice	1,431	1.46%
Bell Helicopter Textron, Inc.	1,382	1.41%
Western National Life Insurance Company	1,303	1.33%
Xcel Energy	1,250	1.28%
Total	<u>22,805</u>	<u>23.29%</u>

Source:

Amarillo Chamber of Commerce
U.S. Department of Labor - Bureau of Labor Statistics

Note:

Amarillo College has elected to implement "Nine Years Prior" prospectively.

Amarillo College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Faculty										
Full-Time	218	221	234	235	221	229	226	227	223	237
Part-Time	581	556	548	519	565	577	603	572	606	602
Total	799	777	782	754	786	806	829	799	829	839
Percent										
Full-Time	27.3%	28.4%	29.9%	31.2%	28.1%	28.4%	27.3%	28.4%	26.9%	28.2%
Part-Time	72.7%	71.6%	70.1%	68.8%	71.9%	71.6%	72.7%	71.6%	73.1%	71.8%
Staff and Administrators										
Full-Time	456	482	473	473	451	450	451	444	432	445
Part-Time	266	269	283	263	247	252	232	210	228	209
Total	722	751	756	736	698	702	683	654	660	654
Percent										
Full-Time	63.2%	64.2%	62.6%	64.3%	64.6%	64.1%	66.0%	67.9%	65.5%	68.0%
Part-Time	36.8%	35.8%	37.4%	35.7%	35.4%	35.9%	34.0%	32.1%	34.5%	32.0%
FTSE per Full-Time Faculty	36.55	36.61	32.12	28.62	31.19	30.10	31.73	33.29	32.75	29.55
FTSE per Full-Time Staff Member	17.47	16.79	15.89	14.22	15.29	15.32	15.90	17.02	16.91	15.74
Average Annual Faculty Salary	\$ 64,569	\$ 64,087	\$ 61,787	\$ 57,744	\$ 58,042	\$ 56,529	\$ 55,912	\$ 52,391	\$ 52,433	\$ 51,367

Amarillo College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	6,600	58.26%	7,959	68.97%	6,856	62.64%	6,983	69.67%	7,334	70.61%
31-60 hours	3,341	29.49%	2,594	22.48%	2,913	26.62%	2,402	23.96%	1,945	18.73%
> 60 hours	1,388	12.25%	987	8.55%	1,176	10.74%	638	6.37%	1,108	10.66%
Total	11,329	100.00%	11,540	100.00%	10,945	100.00%	10,023	100.00%	10,387	100.00%

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	68	0.60%	82	0.71%	122	1.12%	105	1.05%	135	1.30%
3-5 semester hours	2,323	20.50%	2,487	21.55%	2,498	22.82%	2,336	23.31%	2,221	21.38%
6-8 semester hours	3,329	29.39%	3,190	27.64%	3,223	29.45%	2,925	29.18%	2,923	28.14%
9-11 semester hours	2,341	20.66%	2,187	18.95%	2,011	18.37%	2,000	19.95%	1,911	18.40%
12-14 semester hours	2,868	25.32%	3,178	27.54%	2,693	24.61%	2,276	22.71%	2,614	25.17%
15-17 semester hours	283	2.50%	305	2.65%	297	2.71%	258	2.57%	450	4.33%
18 & over	117	1.03%	111	0.96%	101	0.92%	123	1.23%	133	1.28%
Total	11,329	100.00%	11,540	100.00%	10,945	100.00%	10,023	100.00%	10,387	100.00%

Average course load	8.3	8.3	8.1	8.0	8.4
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Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	7,979	70.43%	8,079	70.01%	7,298	66.68%	5,723	57.10%	6,095	58.68%
Texas Resident (Out-of-District)	3,041	26.84%	3,125	27.08%	3,256	29.75%	3,913	39.04%	3,990	38.41%
Non-Resident Tuition	309	2.73%	336	2.91%	391	3.57%	387	3.86%	302	2.91%
Total	11,329	100.00%	11,540	100.00%	10,945	100.00%	10,023	100.00%	10,387	100.00%

Amarillo College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>										
Female	6,923	61.11%	7,044	61.04%	6,536	59.72%	6,158	61.44%	6,306	60.71%
Male	4,406	38.89%	4,496	38.96%	4,409	40.28%	3,865	38.56%	4,081	39.29%
Total	<u>11,329</u>	<u>100.00%</u>	<u>11,540</u>	<u>100.00%</u>	<u>10,945</u>	<u>100.00%</u>	<u>10,023</u>	<u>100.00%</u>	<u>10,387</u>	<u>100.00%</u>

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Ethnic Origin</u>										
White	6,512	57.48%	6,828	59.17%	6,899	63.03%	6,403	63.88%	6,779	65.26%
Hispanic	3,602	31.79%	3,479	30.15%	3,023	27.62%	2,608	26.02%	2,606	25.09%
African American	502	4.43%	471	4.08%	529	4.84%	479	4.78%	446	4.29%
Asian	262	2.31%	258	2.23%	265	2.42%	269	2.68%	291	2.80%
Foreign	4	0.04%	3	0.03%	2	0.02%	11	0.11%	-	0.00%
Native American	70	0.62%	70	0.61%	79	0.72%	89	0.89%	100	0.96%
Other	377	3.33%	431	3.73%	148	1.35%	164	1.64%	165	1.60%
Total	<u>11,329</u>	<u>100.00%</u>	<u>11,540</u>	<u>100.00%</u>	<u>10,945</u>	<u>100.00%</u>	<u>10,023</u>	<u>100.00%</u>	<u>10,387</u>	<u>100.00%</u>

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Age</u>										
Under 18	2,055	18.14%	2,070	17.94%	2,099	19.18%	1,999	19.94%	1,680	16.17%
18 - 21	3,761	33.20%	3,842	33.29%	3,587	32.77%	3,319	33.11%	3,650	35.14%
22 - 24	1,418	12.52%	1,479	12.82%	1,355	12.38%	1,259	12.56%	1,362	13.11%
25 - 35	2,641	23.31%	2,669	23.13%	2,502	22.86%	2,189	21.84%	2,299	22.13%
36 - 50	1,199	10.58%	1,219	10.56%	1,165	10.64%	1,046	10.44%	1,149	11.06%
51 & over	255	2.25%	261	2.26%	237	2.17%	211	2.11%	247	2.39%
Total	<u>11,329</u>	<u>100.00%</u>	<u>11,540</u>	<u>100.00%</u>	<u>10,945</u>	<u>100.00%</u>	<u>10,023</u>	<u>100.00%</u>	<u>10,387</u>	<u>100.00%</u>

Average Age	25	25	25	24	24
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Amarillo College
Statistical Supplement 17
Transfers to Senior Institutions
2011-2012 Graduates, Completers, and Non-Returners as of Fall 2012
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 West Texas A&M University	859	27	61	947	55.67%
2 Texas Tech University	245	2	5	252	14.81%
3 Texas A&M University	57	0	0	57	3.35%
4 South Plains College	41	3	7	51	3.00%
5 The University of Texas at Austin	45	1	0	46	2.70%
6 Clarendon College	19	5	10	34	2.00%
7 University of North Texas	28	3	0	31	1.82%
8 Texas State University - San Marcos	26	1	0	27	1.59%
9 Frank Phillips College	9	6	11	26	1.53%
10 The University of Texas at Arlington	23	0	2	25	1.47%
11 Texas Tech University Health Sciences Center	17	0	2	19	1.12%
12 Midwestern State University	15	0	2	17	1.00%
13 Angelo State University	11	0	1	12	0.71%
14 Tarleton State University	12	0	0	12	0.71%
15 Austin Community College	8	1	0	9	0.53%
16 Blinn College	9	0	0	9	0.53%
17 The University of Texas at San Antonio	7	0	1	8	0.47%
18 ACCD - San Antonio College	2	1	2	5	0.29%
19 Cisco College	4	0	1	5	0.29%
20 DCCCD - North Lake College	2	0	3	5	0.29%
21 Midland College	3	0	2	5	0.29%
22 Odessa College	2	1	2	5	0.29%
23 Sam Houston State University	3	2	0	5	0.29%
24 Vernon College	3	0	2	5	0.29%
25 HCJCD - Howard College	2	0	2	4	0.24%
26 North Central Texas College	0	1	3	4	0.24%
27 Tarrant County College - Southeast Campus	3	0	1	4	0.24%
28 Texas A&M University - Commerce	3	0	1	4	0.24%
29 Houston Community College System	2	0	1	3	0.18%
30 Stephen F. Austin State University	2	1	0	3	0.18%
31 Tarrant County College - Northwest Campus	3	0	0	3	0.18%
32 Texas A&M University - Corpus Christi	3	0	0	3	0.18%
33 The University of Texas at Dallas	3	0	0	3	0.18%
34 The University of Texas at El Paso	3	0	0	3	0.18%
35 Tyler Junior College	2	0	1	3	0.18%
36 ACCD - Northwest Vista College	2	0	0	2	0.12%
37 Collin County Community College District	1	0	1	2	0.12%
38 DCCCD - Brookhaven College	2	0	0	2	0.12%
39 DCCCD - Eastfield College	2	0	0	2	0.12%
40 DCCCD - Richland College	2	0	0	2	0.12%

Amarillo College
Statistical Supplement 17 (Continued)
Transfers to Senior Institutions
2011-2012 Graduates, Completers, and Non-Returners as of Fall 2012
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
41 Lone Star College - Montgomery	1	0	1	2	0.12%
42 Tarrant County College - Trinity River Campus	1	0	1	2	0.12%
43 Temple College	1	0	1	2	0.12%
44 The University of Texas at Tyler	2	0	0	2	0.12%
45 University of Houston - Downtown	2	0	0	2	0.12%
46 Weatherford College	1	1	0	2	0.12%
47 ACCD - Palo Alto College	0	1	0	1	0.06%
48 Angelina College	0	0	1	1	0.06%
49 Brazosport College	0	0	1	1	0.06%
50 Central Texas College	1	0	0	1	0.06%
51 Del Mar College	0	1	0	1	0.06%
52 El Paso Community College District	1	0	0	1	0.06%
53 Lamar University	1	0	0	1	0.06%
54 Lone Star College - CyFair	1	0	0	1	0.06%
55 Lone Star College - Kingwood	1	0	0	1	0.06%
56 Lone Star College - Tomball	1	0	0	1	0.06%
57 McLennan Community College	0	0	1	1	0.06%
58 Prairie View A&M University	1	0	0	1	0.06%
59 South Texas College	1	0	0	1	0.06%
60 Tarrant County College - South Campus	1	0	0	1	0.06%
61 Texas A&M University - Kingsville	1	0	0	1	0.06%
62 Texas A&M University - Texarkana	0	1	0	1	0.06%
63 The University of Texas at Brownsville	1	0	0	1	0.06%
64 The University of Texas Health Science Center at H	1	0	0	1	0.06%
65 The University of Texas Medical Branch at Galvesto	1	0	0	1	0.06%
66 The University of Texas of the Permian Basin	1	0	0	1	0.06%
67 Trinity Valley Community College	1	0	0	1	0.06%
68 University of Houston - Victoria	1	0	0	1	0.06%
69 University of North Texas Health Science Center	1	0	0	1	0.06%
70 Victoria College, The	0	1	0	1	0.06%
71 Western Texas College	1	0	0	1	0.06%
Totals	1,511	60	130	1,701	100.00%

NOTE: Totals may not equal those from the Automated Student and Adult Learner Follow-up System Results since non-disclosure students are not included in this report.

Amarillo College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2008 to 2012
(unaudited)

	Fiscal Year				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Academic buildings	34	36	35	33	34
Square footage (in thousands)	955	991	930	824	835
Libraries*	1	1	1	1	1
Square footage (in thousands)	16	16	14	14	14
Number of Volumes (in thousands)	35	62	74	75	75
Administrative and support buildings	5	5	4	4	4
Square footage (in thousands)	147	147	117	117	117
Rentals					
Apartment Bldgs (formerly Dorms)	1	1	1	1	1
Square footage (in thousands)	6	6	6	6	6
Number of Beds	10	10	10	10	10
Rental Housing Units	336	336	336	336	336
Square footage (in thousands)	493	493	425	425	425
Commercial Rentals	5	6	9	9	10
Square footage (in thousands)	35	41	35	35	56
Dining Facilities*	0	2	2	2	2
Square footage (in thousands)	0	15	15	15	15
Athletic Facilities (sum of below)	5	5	5	5	5
Square footage(in thousands)	99	99	80	80	80
Stadiums	0	0	0	0	0
Gymnasiums*	5	5	5	5	5
Fitness Centers*	2	2	2	2	2
Tennis Court	0	0	0	0	0
Plant facilities	7	7	8	8	8
Square footage (in thousands)	130	130	163	163	163
Transportation (Total)	134	136	120	117	112
Cars	30	33	29	26	26
Semi Trucks / Heavy Trucks (Instructional)	22	21	17	19	19
Light Trucks/Vans (includes Instructional)	67	70	68	66	61
Buses (Instructional)	9	8	4	4	4
Motorcycles (Instructional)	6	4	2	2	2

* May be within other buildings