

**AMARILLO COLLEGE**  
Amarillo, Texas

**ANNUAL FINANCIAL REPORT**  
August 31, 2011 and 2010

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>ORGANIZATIONAL DATA</b> .....	1
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> .....	7
<b>FINANCIAL STATEMENTS</b>	
Exhibit 1 Statements of Net Assets .....	17
2 Statements of Revenues, Expenses, and Changes in Net Assets .....	18
3 Statements of Cash Flows .....	19
Notes to Financial Statements.....	21
<b>OTHER SUPPLEMENTAL INFORMATION</b>	
Schedule A Schedule of Operating Revenues.....	41
B Schedule of Operating Expenses by Object .....	43
C Schedule of Nonoperating Revenues and Expenses.....	44
D Schedule of Net Assets by Source and Availability.....	45
E Schedule of Expenditures of Federal Awards.....	46
Notes to Schedule of Expenditures of Federal Awards.....	47
F Schedule of Expenditures of State of Texas Awards .....	48
Notes to Schedule of Expenditures of State of Texas Awards .....	49
<b>SINGLE AUDIT SECTION</b>	
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 .....	53
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 .....	57
Schedule of Findings and Questioned Costs.....	61
Schedule of Corrective Action for Audit Findings and Questioned Costs .....	72
Summary Schedule of Prior Audit Findings .....	78
<b>STATISTICAL SUPPLEMENT (UNAUDITED)</b> .....	81

This page left blank intentionally.

**AMARILLO COLLEGE  
ORGANIZATIONAL DATA  
August 31, 2011**

**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

This page left blank intentionally.

## 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, 2011 and 2010, 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, 2011 and 2010, 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 22, 2011 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 9 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

This page left blank intentionally.

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, are presented for purposes of additional analysis 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, 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.

*Comor, McMillon, Mitchell & Hummer, PLLC*

Amarillo, Texas  
November 22, 2011



This page left blank intentionally.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This page left blank intentionally.

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

**INTRODUCTION**

The 2011 fiscal year was the tenth 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 tenth year that the College has prepared these financial statements in the GASB 34/35 format; following are the comparative financial statements for fiscal years 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Total Assets – Capital Net	\$ 113,813,600	\$ 104,345,324
Total Assets – Noncapital	<u>59,145,132</u>	<u>73,836,381</u>
Total Assets	<u>172,958,732</u>	<u>178,181,705</u>

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

**CONDENSED COMPARATIVE FINANCIAL INFORMATION (CONTINUED)**

	<u>2011</u>	<u>2010</u>
Total Liabilities – Long Term	58,219,223	60,122,144
Total Liabilities – Other	<u>14,001,272</u>	<u>18,861,901</u>
Total Liabilities	<u>72,220,495</u>	<u>78,984,045</u>
Net Assets – Capital	65,464,050	66,184,067
Net Assets – Restricted	11,118,942	11,017,865
Net Assets – Unrestricted	<u>24,155,245</u>	<u>21,995,728</u>
Total Net Assets	<u>\$ 100,738,237</u>	<u>\$ 99,197,660</u>
Operating Revenues		
Tuition and Fees (Net of Discounts)	\$ 13,168,808	\$ 12,778,174
Grants and Contracts	9,839,812	10,937,391
Other Operating Revenues	769,366	791,178
Auxiliary Enterprises (Net of Discounts)	<u>6,907,166</u>	<u>7,182,532</u>
Total Operating Revenues	<u>30,685,152</u>	<u>31,689,275</u>
Operating Expenses		
Instruction	30,565,313	31,266,193
Public Service	3,616,734	3,535,722
Academic Support	3,316,197	3,290,820
Student Services	4,084,077	3,912,124
Institutional Support	12,321,987	12,175,928
Operation and Maintenance of Plant	7,168,504	8,103,917
Scholarships and Fellowships	15,328,731	13,418,359
Auxiliary Enterprises	6,595,472	6,741,457
Depreciation	<u>4,568,277</u>	<u>4,145,061</u>
Total Operating Expenses	<u>87,565,292</u>	<u>86,589,581</u>
Operating Loss	<u>(56,880,140)</u>	<u>(54,900,306)</u>
Nonoperating Revenues (Expenses)		
State Allocations	21,176,844	21,458,092
Ad Valorem Taxes	18,881,483	18,159,438
Federal Revenue, Nonoperating	20,067,090	17,152,657
Investment Income (Net)	570,613	334,387
Interest on Capital - Related Debt	(2,429,702)	(1,959,128)
Other Nonoperating Revenue (Expenses)	<u>154,389</u>	<u>23,374</u>
Net Nonoperating Revenues	<u>58,420,717</u>	<u>55,168,820</u>
Special Item		
Impairment loss on buildings	<u>–</u>	<u>(4,473,025)</u>
Increase (Decrease) in Net Assets	1,540,577	(4,204,511)
Beginning Net Assets	<u>99,197,660</u>	<u>103,402,171</u>
Ending Net Assets	<u>\$ 100,738,237</u>	<u>\$ 99,197,660</u>

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

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

**REVENUES**

**State Appropriations** – For the 2011 fiscal year, the state allocation was reduced from the 2010 level by 2½%. Amarillo College was one of several community colleges that were provided with a hold harmless allocation in order to keep the 2010-11 biennium allocation at the same level as the 2008-09 biennium allocation. Amarillo College was notified in January 2010 that a plan had to be submitted for a 5% reduction in the state appropriations for the 2010-11 biennium. This amounted to an \$844,000 reduction in FY 2010 and an additional \$857,663 reduction for FY 2011. After the start of the 2011 fiscal year, Amarillo college was notified that state allocation would be reduced an additional 2½%, which amounted to an additional \$428,831.

The 2010 state appropriations were also reduced by \$273,269, which was returned to the College in the form of ARRA (American Recovery and Reinvestment Act) funds.

**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. For 2011, investment income increased \$236,226 over 2010.

**Ad Valorem Tax Base** – The Amarillo Junior College District property appraisal increased \$205 million or 2.02% from the 2010 tax year to the 2011 tax year, and \$286 million or 2.93% 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 \$54 million of construction bonds, the total tax rate for the 2011 tax year was set at \$.18938 per \$100 valuation. The sale of \$21,135,000 bonds on June 15, 2010 included construction bonds of \$16,000,000 and also \$5,135,000 bonds to refinance the 2005 bond issue. No construction bonds were sold in 2010-11. The maintenance and operations portion of the tax rate increase was \$.00092 over the previous year.

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.

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

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

**REVENUES (CONTINUED)**

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 2010-11 was \$77,131.

**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 6.2% is below the state and national averages of 8.3% and 9.6%, 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 2.5% for fiscal year 2011 from 2010. State appropriations for fiscal year 2012 have been decreased by 10.9% (\$1.86M) from the 2011 original appropriation or 3.6% (\$.58M) from appropriations received in 2011.

**EXPENSES**

**KACV Digital Conversion Effort** – Over the past several years the College has expended \$4.7 million to convert KACV-TV from an analog transmission station to a digital transmission station. More than \$7.1 million has been raised from government agencies and private grants toward this effort. During the 2011 fiscal year, \$0.8 million 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. During fiscal years 2011 and 2010, the College contributed \$1,276,585 and \$858,000, respectively, for the College's increased contribution. This shortfall was budgeted for in the 2011 fiscal year. The 82<sup>nd</sup> Session of the Texas Legislatures struggled to adopt a balanced budget for the 2012-2013 biennium. One of the sources of reduced 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 is \$2.7M for fiscal year 2012. This shortfall has been budgeted for in the 2011-12 budget.

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

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

**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>2011</u>	<u>2010</u>	<u>Percent Change</u>
Land	\$ 3,453,420	\$ 3,453,420	0.0%
Construction in progress	5,262,365	2,438,939	115.7%
Buildings and building improvements	124,214,258	116,018,144	7.1%
Other real estate improvements	4,564,875	4,424,715	3.2%
Library books	1,393,288	1,426,327	-2.3%
Furniture, machinery, vehicles and other equipment	<u>26,464,609</u>	<u>24,599,075</u>	7.6%
Total capital assets	<u>\$165,352,815</u>	<u>\$152,360,620</u>	8.5%

Certain buildings on the College's East Campus were determined to be obsolete. Impairment loss recognized for 2011 and 2010 is \$-0- and \$4,473,025, respectively. The College has entered into various construction contracts. Total commitments are \$48,677,795, of which \$43,142,830 was expended at August 31, 2011.

At August 31, 2011, the College had five bond issues outstanding, consisting of a revenue bond issue for \$2,865,000 and four general obligation bond issues for \$6,374,999, \$22,000,000, \$16,000,000 and \$21,135,000, respectively. Total long-term debt, excluding current portion, at August 31, 2011 is \$56,870,000.

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.

**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, which borders on Potter County, the location of the College's campuses, passed a Branch Campus Maintenance Tax to fund a branch campus of Amarillo College in Dumas, Texas.



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

**OTHER MATTERS AT THE COLLEGE (CONTINUED)**

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 commence within 2 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.

**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, and \$16,000,000 were sold June 15, 2008, June 15, 2009, and June 15, 2010. 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 and renovations of several existing buildings have been started and additional projects will also begin in 2011-2012.

## **FINANCIAL STATEMENTS**

This page left blank intentionally.

**AMARILLO COLLEGE  
STATEMENTS OF NET ASSETS  
AUGUST 31, 2011 and 2010  
Exhibit 1**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 275,894	\$ 889,300
Short-term investments	41,781,825	63,039,269
Accounts receivable, net	12,172,064	4,961,297
Inventories	1,187,827	1,293,277
Other assets	1,107,522	1,063,238
Total current assets	56,525,132	71,246,381
<b>NONCURRENT ASSETS</b>		
Other long-term investments	2,620,000	2,590,000
Capital assets, net	113,813,600	104,345,324
Total noncurrent assets	116,433,600	106,935,324
<b>TOTAL ASSETS</b>	\$172,958,732	\$178,181,705
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,646,825	\$ 1,504,910
Accrued compensable absences - current portion	352,558	367,666
Bank overdraft	398,104	-
Funds held for others	192,751	6,432,111
Deferred revenues	8,954,182	7,471,694
Bonds payable - current portion	1,840,000	2,350,000
Retainage payable	616,852	735,520
Total current liabilities	14,001,272	18,861,901
<b>NONCURRENT LIABILITIES</b>		
Accrued compensable absences	665,639	692,927
Deposits payable	120,150	115,550
Bonds payable	56,870,000	58,710,000
Other liabilities	563,434	603,667
Total noncurrent liabilities	58,219,223	60,122,144
<b>TOTAL LIABILITIES</b>	72,220,495	78,984,045
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	65,464,050	66,184,067
Restricted for:		
Nonexpendable:		
Endowment - quasi-restricted	2,620,000	2,590,000
Expendable:		
Capital projects	336,980	299,444
Debt service	2,009,835	1,676,236
Other, primarily donor restrictions	6,152,127	6,452,185
Unrestricted	24,155,245	21,995,728
Total net assets (Schedule D)	100,738,237	99,197,660
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$172,958,732	\$178,181,705

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, 2011 AND 2010**  
**Exhibit 2**

	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES</b>		
Tuition and fees (net of discounts of \$6,342,085 and \$5,124,218 in 2011 and 2010, respectively)	\$ 13,168,808	\$ 12,778,174
Federal grants and contracts	4,407,202	6,171,770
State grants and contracts	1,922,135	1,787,890
Local grants and contracts	1,953,216	1,813,497
Nongovernmental grants and contracts	1,557,259	1,164,234
Sales and services of educational activities	524,051	579,645
Auxiliary enterprises (net of discounts)	6,907,166	7,182,532
Other operating revenues	245,315	211,533
Total operating revenues (Schedule A)	30,685,152	31,689,275
<b>OPERATING EXPENSES</b>		
Instruction	30,565,313	31,266,193
Public service	3,616,734	3,535,722
Academic support	3,316,197	3,290,820
Student services	4,084,077	3,912,124
Institutional support	12,321,987	12,175,928
Operation and maintenance of plant	7,168,504	8,103,917
Scholarships and fellowships	15,328,731	13,418,359
Auxiliary enterprises	6,595,472	6,741,457
Depreciation	4,568,277	4,145,061
Total operating expenses (Schedule B)	87,565,292	86,589,581
Operating loss	(56,880,140)	(54,900,306)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	21,176,844	21,458,092
Maintenance ad valorem taxes		
Taxes for maintenance and operations	14,075,247	13,868,782
Taxes for general obligation bonds	4,806,236	4,290,656
Federal revenue, non-operating	20,067,090	17,152,657
Gifts	185,815	39,629
Investment income, net of investment expenses	570,613	334,387
Interest on capital-related debt	(2,429,702)	(1,959,128)
Loss on disposal of fixed assets	(115,143)	(66,243)
Other nonoperating revenue (expenses)	83,717	49,988
Net nonoperating revenues (Schedule C)	58,420,717	55,168,820
Income before special item	1,540,577	268,514
<b>SPECIAL ITEM</b>		
Impairment loss on buildings	-	(4,473,025)
Increase (decrease) in net assets	1,540,577	(4,204,511)
<b>NET ASSETS - BEGINNING OF YEAR</b>	99,197,660	103,402,171
<b>NET ASSETS - END OF YEAR</b>	\$ 100,738,237	\$ 99,197,660

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

**AMARILLO COLLEGE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2011 AND 2010**  
**Exhibit 3**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 16,008,769	\$ 21,803,485
Receipts from grants and contracts	8,652,074	11,101,908
Payments to suppliers for goods or services	(17,390,528)	(20,395,027)
Payments to or on behalf of employees	(47,906,603)	(47,123,549)
Payments of scholarships	(15,560,727)	(13,625,197)
Other cash payments	<u>(1,235,837)</u>	<u>(909,393)</u>
Net cash used by operating activities	<u>(57,432,852)</u>	<u>(49,147,773)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	21,177,914	21,459,234
Receipts from ad valorem taxes	18,857,373	18,120,923
Receipts from nonoperating federal revenue	20,067,090	17,152,657
Receipts from gift or grants	1,006	15,822
Student organization and other agency transactions	<u>(6,239,360)</u>	<u>(105,756)</u>
Net cash provided by noncapital financing activities	<u>53,864,023</u>	<u>56,642,880</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of bonds	-	21,135,000
Proceeds from sale of capital assets	83,717	49,988
Purchases of capital assets	(14,085,554)	(19,185,452)
Payments on capital debt	<u>(4,859,037)</u>	<u>(9,636,203)</u>
Net cash used by capital and related financing activities	<u>(18,860,874)</u>	<u>(7,636,667)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturity of investments	98,181,706	116,088,600
Purchases of investments	(76,769,461)	(116,625,294)
Investment earnings	<u>404,052</u>	<u>433,700</u>
Net cash provided (used) by investing activities	<u>21,816,297</u>	<u>(102,994)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(613,406)	(244,554)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>889,300</u>	<u>1,133,854</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 275,894</u></u>	<u><u>\$ 889,300</u></u>

**AMARILLO COLLEGE**  
**STATEMENTS OF CASH FLOWS, CONTINUED**  
**YEARS ENDED AUGUST 31, 2011 AND 2010**  
**Exhibit 3, Continued**

	2011	2010
<b>Reconciliation of net operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (56,880,140)	\$ (54,900,306)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	4,568,277	4,145,061
Bad debt expense	301,390	285,630
Changes in assets and liabilities:		
Accounts receivable, net	(7,489,117)	374,780
Inventories	105,449	(81,892)
Other assets	(62,524)	(168,315)
Accounts payable	221,250	(343,552)
Accrued compensable absences	(42,396)	41,318
Bank overdraft	398,104	-
Deferred revenue	1,482,488	1,036,647
Deposits payable	4,600	2,072
Other liabilities	(40,233)	460,784
	<u>\$ (57,432,852)</u>	<u>\$ (49,147,773)</u>
Net cash used by operating activities	<u>\$ (57,432,852)</u>	<u>\$ (49,147,773)</u>

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

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**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, 2011 and 2010**

**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, 2011 and 2010**

**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 Governmental Accounting Standards Board 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 \$0- and \$4,473,025 were recognized during 2011 and 2010, 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 \$229,766 and \$319,996 in 2011 and 2010, respectively.

**Deferred Revenues**

Tuition, fees, and other revenues received and related to the period after August 31, 2011 and 2010, respectively, have been deferred. Deferred revenues for August 31, 2011 and 2010 are \$8,954,182 and \$7,471,694, respectively.

**Estimates**

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

**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, 2011 and 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reclassification**

Certain amounts in the 2010 financial statements have been reclassified to conform with the 2011 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>2011</u>	<u>2010</u>
Cash and cash equivalents		
Demand deposits	\$ 225,605	\$ 839,711
Petty cash on hand	<u>50,289</u>	<u>49,589</u>
<b>Total cash and cash equivalents</b>	<u>\$ 275,894</u>	<u>\$ 889,300</u>

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

	<u>Market Value</u>	
<u>Type of Security</u>	<u>2011</u>	<u>2010</u>
U.S. Government Securities	\$ 1,010,600	\$ 7,036,620
Other instruments	<u>43,391,225</u>	<u>58,592,649</u>
Total investments (Exhibit 1)	<u>\$ 44,401,825</u>	<u>\$ 65,629,269</u>
Cash and cash equivalents (Exhibit 1)	\$ 275,894	\$ 889,300
Investments (Exhibit 1)	<u>44,401,825</u>	<u>65,629,269</u>
<b>Total deposits and investments</b>	<u>\$ 44,677,719</u>	<u>\$ 66,518,569</u>

**AMARILLO COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Investments are classified as follows:

	<u>2011</u>	<u>2010</u>
Short-term investments	\$ 41,781,825	\$ 63,039,269
Other long-term investments	<u>2,620,000</u>	<u>2,590,000</u>
<b>Total investments</b>	<u>\$ 44,401,825</u>	<u>\$ 65,629,269</u>

As of August 31, 2011, the College had the following investments and maturities:

<u>Investment type</u>	<u>Market Value</u>	<u>Investment Maturities (Years)</u>
U.S. Government securities	\$ 1,010,600	Less than 1 year
U.S. Treasuries	1,538,550	Less than 1 year
TexPool	8,423,188	Less than 1 year
Money market/mutual funds	15,323,168	Less than 1 year
Certificate of deposits	<u>18,106,319</u>	Less than 1 year
<b>Total investments</b>	<u>\$44,401,825</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 26% of their investments in a Chase High Yield Savings account. Approximately 6% of the College's investments are in U.S. Agencies: FHLMC 2% and T-Note 4%.

**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, 2011, 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. The College is not exposed to custodial credit risk for its deposits and investments as all are insured, registered and held by the College or by its agent in the College's name.

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Participation in External Investment Pools**

As of August 31, 2011, the carrying amount of amounts invested in investment pools was \$8,423,188. Investment pools are recorded at cost, which approximated market value at August 31, 2011. 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, 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>

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

The College has entered into various construction contracts. Total commitments are \$48,677,795 of which \$43,142,830 was expended at August 31, 2011.

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

	<u>Balance</u> <u>September 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31, 2010</u>
Not depreciated:				
Land	\$ 3,453,420	\$ -	\$ -	\$ 3,453,420
Construction in progress	<u>11,275,955</u>	<u>1,959,098</u>	<u>10,796,114</u>	<u>2,438,939</u>
Total not depreciated	<u>14,729,375</u>	<u>1,959,098</u>	<u>10,796,114</u>	<u>5,892,359</u>
Other capital assets:				
Buildings and building improvements	97,274,508	24,068,666	5,325,030	116,018,144
Other real estate improvements	<u>4,590,819</u>	<u>749,854</u>	<u>915,958</u>	<u>4,424,715</u>
Total buildings and other real estate improvements	<u>101,865,327</u>	<u>24,818,520</u>	<u>6,240,988</u>	<u>120,442,859</u>
Library books	1,458,539	22,264	54,476	1,426,327
Furniture, machinery, vehicles and other equipment	<u>20,911,534</u>	<u>4,376,131</u>	<u>688,590</u>	<u>24,599,075</u>
Total other capital assets	<u>124,235,400</u>	<u>29,216,915</u>	<u>6,984,054</u>	<u>146,468,261</u>
Accumulated depreciation:				
Buildings and building improvements	30,315,439	2,242,565	768,935	31,789,069
Other real estate improvements	<u>977,241</u>	<u>-</u>	<u>83,070</u>	<u>894,171</u>
Total buildings and other real estate improvements	<u>31,292,680</u>	<u>2,242,565</u>	<u>852,005</u>	<u>32,683,240</u>
Library books	939,417	135,408	54,476	1,020,349
Furniture, machinery, vehicles and other equipment	<u>13,166,966</u>	<u>1,767,088</u>	<u>622,347</u>	<u>14,311,707</u>
Total accumulated depreciation	<u>45,399,063</u>	<u>4,145,061</u>	<u>1,528,828</u>	<u>48,015,296</u>
Net other capital assets	<u>78,836,337</u>			<u>98,452,965</u>
Net capital assets	<u>\$ 93,565,712</u>			<u>\$ 104,345,324</u>

**NOTE 6 - LONG-TERM LIABILITIES**

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

	<u>Balance</u> <u>September 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>August 31, 2011</u>	<u>Due Within</u> <u>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	-
Other	<u>603,667</u>	<u>-</u>	<u>40,233</u>	<u>563,434</u>	<u>-</u>
Long-term liabilities	<u>\$ 62,839,810</u>	<u>\$ 41,216</u>	<u>\$ 2,469,245</u>	60,411,781	<u>\$ 2,192,558</u>
Current portion				<u>(2,192,558)</u>	
				<u>\$ 58,219,223</u>	

**AMARILLO COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

Long-term liability activity for the year ended August 31, 2010, was as follows:

	<u>Balance</u> <u>September 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>August 31, 2010</u>	<u>Due Within</u> <u>One Year</u>
Bonds					
General obligation bonds	\$ 46,650,000	\$ 21,135,000	\$ 7,465,000	\$ 60,320,000	\$ 2,115,000
Revenue bonds	<u>965,000</u>	<u>—</u>	<u>225,000</u>	<u>740,000</u>	<u>235,000</u>
Subtotal	47,615,000	21,135,000	7,690,000	61,060,000	2,350,000
Accrued compensable absences	1,019,275	41,318	—	1,060,593	367,666
Deposits	113,478	45,350	43,278	115,550	—
Other	<u>142,883</u>	<u>460,784</u>	<u>—</u>	<u>603,667</u>	<u>—</u>
Long-term liabilities	<u>\$ 48,890,636</u>	<u>\$ 21,682,452</u>	<u>\$ 7,733,278</u>	62,839,810	<u>\$ 2,717,666</u>
Current portion				<u>(2,717,666)</u>	
				<u>\$ 60,122,144</u>	

Additions and deductions include the refunding of 2005 Series Bonds.

**NOTE 7 - DEBT OBLIGATIONS**

Debt service requirements at August 31, 2011, were as follows (amounts in 000's):

<u>For the Year Ended</u> <u>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>
2012	\$ 1,595	\$ 2,481	\$ 245	\$ 25	\$ 1,840	\$ 2,506
2013	1,875	2,423	260	13	2,135	2,436
2014	2,075	2,358	—	—	2,075	2,358
2015	2,310	2,281	—	—	2,310	2,281
2016	2,565	2,187	—	—	2,565	2,187
2017-2021	14,225	9,209	—	—	14,225	9,209
2022-2026	19,715	5,409	—	—	19,715	5,409
2027-2031	<u>13,845</u>	<u>989</u>	<u>—</u>	<u>—</u>	<u>13,845</u>	<u>989</u>
<b>Total</b>	<u>\$ 58,205</u>	<u>\$ 27,337</u>	<u>\$ 505</u>	<u>\$ 38</u>	<u>\$ 58,710</u>	<u>\$ 27,375</u>

**NOTE 8 - BONDS PAYABLE**

General information related to bonds payable is summarized below:

Combined Fee Revenue Bonds, Series 1997

- To construct and complete campus building renovations and acquire equipment
- Issued December 31, 1997

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 8 - BONDS PAYABLE (CONTINUED)**

- \$2,865,000 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 matriculation fees. Outstanding balance at August 31, 2011 and 2010: \$505,000 and \$740,000, respectively.

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, 2011 and 2010: \$1,575,000 and \$2,335,000, respectively.

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, 2011 and 2010: \$20,500,000 and \$20,850,000, 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, 2011 and 2010**

**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, 2011 and 2010: \$16,000,000 for both years.
- 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, 2011 and 2010: \$20,130,000 and \$21,135,000, respectively.

**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.

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

*Teacher Retirement System of Texas*

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

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% 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 2011 and 2010 and a state contribution rate of 6.644% for fiscal years 2011 and 2010. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2011 and 2010.

*Optional Retirement Plan*

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

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.4% and 6.65%, respectively. 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.

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

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**State-Sponsored Benefit Plans (Continued)**

The retirement expense to the state for the College was \$1,738,850 and \$1,733,379 for the fiscal years ended August 31, 2011 and 2010, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all College employees was \$36,519,939 and \$36,075,098 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$21,329,281 and \$21,277,965, and the total payroll of employees covered by the Optional Retirement Program was \$10,109,130 and \$10,320,523 for fiscal years 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, 2011 and 2010, there were 963 and 962, respectively, plan participants. The related expense was \$1,954,629 and \$1,996,390 for the years ended August 31, 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 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 \$226,450 and \$219,532 for the years ended August 31, 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.

**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

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 11 - COMPENSABLE ABSENCES (CONTINUED)**

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 \$1,018,197 and \$1,060,593 as of August 31, 2011 and 2010, 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, 2011, 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.

**NOTE 13 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

**Accounts Receivable**

Accounts receivable at August 31, 2011 and 2010, were as follows:

	<u>2011</u>	<u>2010</u>
Student receivables	\$ 1,508,038	\$ 1,545,644
Taxes receivable	884,135	860,026
Government grants and contracts	9,183,585	1,908,256
Other receivables	<u>1,318,444</u>	<u>1,236,834</u>
Total accounts receivable	12,894,202	5,550,760
Allowance for doubtful accounts	<u>(722,138)</u>	<u>(589,463)</u>
<b>Total accounts receivable, net</b>	<u>\$ 12,172,064</u>	<u>\$ 4,961,297</u>

**AMARILLO COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 13 - DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES  
(CONTINUED)**

**Accounts Payable**

Accounts payable at August 31, 2011 and 2010, were as follows:

	<u>2011</u>	<u>2010</u>
Vendors payable	\$ 863,062	\$ 986,008
Salaries and benefits payable	783,763	439,566
Interest payable	—	79,336
<b>Total accounts payable</b>	<u>\$ 1,646,825</u>	<u>\$ 1,504,910</u>

**NOTE 14 - CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and 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 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 2011 and 2010 for which monies have not been received nor funds expended totaled \$14,093,317 and \$7,777,519, respectively. Of these amounts, \$12,503,777 and \$5,854,263 were from federal contract and grant awards; \$884,372 and \$667,577 were from state contract and grant awards; and \$705,168 and \$1,255,679 were from private contract and grant awards for the fiscal years ended 2011 and 2010, 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

**AMARILLO COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 16 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)**

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 \$413.26 per month for the year ended August 31, 2011 (\$385.38 per month for the year ended August 31, 2010) and totaled \$3,544,771 for the year ended August 31, 2011 (\$3,674,862 for the year ended August 31, 2010).

**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, 2011:**

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

	<b><u>Current Operations</u></b>	<b><u>Debt Service</u></b>	<b><u>Total</u></b>
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.

<b><u>Taxes Collected</u></b>	<b><u>Current Operations</u></b>	<b><u>Debt Service</u></b>	<b><u>Total</u></b>
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>
<b>Total collections</b>	<b><u>\$ 14,090,866</u></b>	<b><u>\$ 4,832,433</u></b>	<b><u>\$ 18,923,299</u></b>

**AMARILLO COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 17 - AD VALOREM TAX (CONTINUED)**

**At August 31, 2010:**

Assessed valuation of the District	\$ 11,643,501,006
Less: exemptions	<u>1,574,151,765</u>
<b>Net assessed valuation of the District</b>	<b><u>\$ 10,069,349,241</u></b>

	<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	.14064	.04349	.18413

Taxes levied for the year ended August 31, 2010, were \$18,159,438 (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	\$ 13,368,838	\$ 4,128,357	\$ 17,497,195
Delinquent taxes collected	427,363	134,308	561,671
Penalties and interest collected	<u>150,217</u>	<u>38,562</u>	<u>188,779</u>
<b>Total collections</b>	<b><u>\$ 13,946,418</u></b>	<b><u>\$ 4,301,227</u></b>	<b><u>\$ 18,247,645</u></b>

Tax collections for both of the years ended August 31, 2011 and 2010 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 2011 and 2010 (including penalties and interest) from Moore County totaled approximately \$1,247,000 and \$1,118,000, respectively, and from Hereford Independent School District totaled approximately \$521,000 and \$516,000, respectively.

**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 19 - INCOME TAXES**

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no significant unrelated business income for the years ended August 31, 2011 and 2010.

**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 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 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.



**AMARILLO COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2011 and 2010**

**NOTE 21 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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, 2011, 2010, and 2009 were \$1,768,138, \$1,587,406, and \$1,446,078, respectively, which equaled the required contributions each year.

**NOTE 22 - SUBSEQUENT EVENTS**

Amarillo College sold \$4,590,000 Combined Fee Revenue Bonds, Series 2011 on October 24, 2011. The bonds are secured by and payable from the pledged revenues of Amarillo College, consisting primarily of tuition, out-of-district fee, and general student fee. Pledged revenues are required to cover 2.5x the maximum annual debt service. The proceeds will be used to expand the District's Moore County Branch Campus and to pay various costs of issuance. The bonds received a "AA-" rating from Fitch Ratings and an "A+" rating from Standard & Poor's.

The Board of Regents approved the redemption of the Combined Fee Revenue Bonds, Series 1997.

Amarillo College will be the recipient of \$3,000,000 from the Everett and Mabel McDougal Hinkson Foundation, Inc. These funds will be used in the construction of a new campus at Hereford.

## **OTHER SUPPLEMENTAL INFORMATION**

This page left blank intentionally.

**AMARILLO COLLEGE  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2011</u>	<u>2010</u>
<b>TUITION</b>						
State-funded courses						
In-district resident tuition	\$ 7,687,041	\$ -	\$ 7,687,041	\$ -	\$ 7,687,041	\$ 6,661,119
Out-of-district resident tuition	2,062,727	-	2,062,727	-	2,062,727	2,018,852
Non-resident tuition	543,149	-	543,149	-	543,149	421,648
TPEG - Credit (set aside)*	447,021	-	447,021	-	447,021	434,959
State-funded continuing education	875,606	439,950	1,315,556	-	1,315,556	1,458,972
TPEG - Non-credit (set aside)*	52,516	26,397	78,913	-	78,913	87,538
Non-state funded continuing education	482,964	600	483,564	-	483,564	459,271
Total tuition	<u>12,151,024</u>	<u>466,947</u>	<u>12,617,971</u>	<u>-</u>	<u>12,617,971</u>	<u>11,542,359</u>
<b>FEES</b>						
Distance learning fee	373,048	-	373,048	-	373,048	351,621
General fee	3,077,018	-	3,077,018	-	3,077,018	2,820,241
Technology fee	1,763,787	-	1,763,787	-	1,763,787	1,540,230
Student service fee	-	-	-	337,066	337,066	329,674
Laboratory fee	458,594	-	458,594	-	458,594	446,540
Other fees	1,183,740	36,735	1,220,475	-	1,220,475	1,201,401
Total fees	<u>6,856,187</u>	<u>36,735</u>	<u>6,892,922</u>	<u>337,066</u>	<u>7,229,988</u>	<u>6,689,707</u>
<b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b>						
Scholarship allowances	(519,100)	-	(519,100)	-	(519,100)	(508,440)
Remissions and exemptions - State	(1,439,269)	-	(1,439,269)	-	(1,439,269)	(1,104,224)
TPEG allowances	(373,018)	-	(373,018)	-	(373,018)	(392,311)
State grants to students	(762,747)	-	(762,747)	-	(762,747)	(632,588)
Title IV federal grants	(3,223,587)	-	(3,223,587)	-	(3,223,587)	(2,466,380)
Other local grants	(24,364)	-	(24,364)	-	(24,364)	(20,275)
Total scholarship allowances and discounts	<u>(6,342,085)</u>	<u>-</u>	<u>(6,342,085)</u>	<u>-</u>	<u>(6,342,085)</u>	<u>(5,124,218)</u>
Total net tuition and fees	<u>12,665,126</u>	<u>503,682</u>	<u>13,168,808</u>	<u>337,066</u>	<u>13,505,874</u>	<u>13,107,848</u>

**AMARILLO COLLEGE  
SCHEDULE A, CONTINUED  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2011</u>	<u>2010</u>
<b>ADDITIONAL OPERATING REVENUES</b>						
Federal grants and contracts	216,061	4,191,141	4,407,202	-	4,407,202	6,171,770
State grants and contracts	22,103	1,900,032	1,922,135	-	1,922,135	1,787,890
Local grants and contracts	1,953,216	-	1,953,216	-	1,953,216	1,813,497
Nongovernmental grants and contracts	208,260	1,348,999	1,557,259	-	1,557,259	1,164,234
Sales and services of educational activities	523,612	439	524,051	-	524,051	579,645
General operating revenues	-	245,315	245,315	-	245,315	211,533
Total additional operating revenues	<u>2,923,252</u>	<u>7,685,926</u>	<u>10,609,178</u>	<u>-</u>	<u>10,609,178</u>	<u>11,728,569</u>
<b>AUXILIARY ENTERPRISES</b>						
Bookstore	-	-	-	5,196,416	5,196,416	5,389,164
Less: discounts	-	-	-	(1,392,106)	(1,392,106)	(1,344,189)
Residential	-	-	-	2,574,597	2,574,597	2,581,141
Student programs	-	-	-	2,339	2,339	1,989
Other auxiliary enterprises	-	-	-	188,854	188,854	224,753
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,570,100</u>	<u>6,570,100</u>	<u>6,852,858</u>
<b>TOTAL OPERATING REVENUES</b>	<u><u>\$15,588,378</u></u>	<u><u>\$ 8,189,608</u></u>	<u><u>\$23,777,986</u></u>	<u><u>\$ 6,907,166</u></u>	<u><u>\$30,685,152</u></u>	<u><u>\$31,689,275</u></u>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$525,934 and \$522,497 for years August 31, 2011 and 2010, 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, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

	<b>Operating Expenses</b>				<b>2011</b>	<b>2010</b>
	<b>Salaries and Wages</b>	<b>Benefits</b>		<b>Other Expenses</b>		
		<b>State</b>	<b>Local</b>			
<b>UNRESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	\$18,906,292	\$ -	\$2,355,958	\$ 1,840,348	\$ 23,102,598	\$22,534,801
Public service	1,706,400	-	323,547	414,547	2,444,494	2,291,408
Academic support	2,228,945	-	331,183	429,032	2,989,160	2,999,188
Student services	2,779,939	-	455,774	287,401	3,523,114	3,380,240
Institutional support	5,536,681	-	1,185,914	4,033,998	10,756,593	10,525,530
Operation and maintenance of plant	2,489,150	-	928,589	3,750,765	7,168,504	8,103,917
Total unrestricted educational activities	<u>33,647,407</u>	<u>-</u>	<u>5,580,965</u>	<u>10,756,091</u>	<u>49,984,463</u>	<u>49,835,084</u>
<b>RESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	1,621,469	2,976,074	342,193	2,522,979	7,462,715	8,731,392
Public service	121,029	257,062	24,396	769,753	1,172,240	1,244,314
Academic support	-	327,037	-	-	327,037	291,632
Student services	-	558,409	-	2,554	560,963	531,884
Institutional support	272,450	1,165,039	74,186	53,719	1,565,394	1,650,398
Scholarships and fellowships	-	-	-	15,328,731	15,328,731	13,418,359
Total restricted educational activities	<u>2,014,948</u>	<u>5,283,621</u>	<u>440,775</u>	<u>18,677,736</u>	<u>26,417,080</u>	<u>25,867,979</u>
Total educational activities	<u>35,662,355</u>	<u>5,283,621</u>	<u>6,021,740</u>	<u>29,433,827</u>	<u>76,401,543</u>	<u>75,703,063</u>
<b>AUXILIARY ENTERPRISES</b>	898,046	-	339,276	5,358,150	6,595,472	6,741,457
<b>DEPRECIATION EXPENSE - buildings and other real estate improvements</b>	-	-	-	2,565,714	2,565,714	2,242,565
<b>DEPRECIATION EXPENSE - equipment and furniture</b>	-	-	-	2,002,563	2,002,563	1,902,496
<b>TOTAL OPERATING EXPENSES</b>	<u>\$36,560,401</u>	<u>\$5,283,621</u>	<u>\$6,361,016</u>	<u>\$39,360,254</u>	<u>\$87,565,292</u>	<u>\$86,589,581</u>
					(Exhibit 2)	(Exhibit 2)

**AMARILLO COLLEGE  
SCHEDULE C  
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2011</u>	<u>2010</u>
<b>NONOPERATING REVENUES</b>					
State appropriations:					
Education and general state support	\$ 15,893,223	\$ -	\$ -	\$ 15,893,223	\$ 16,049,851
State group insurance	-	3,544,771	-	3,544,771	3,674,862
State retirement matching	-	1,738,850	-	1,738,850	1,733,379
Total state appropriations	<u>15,893,223</u>	<u>5,283,621</u>	<u>-</u>	<u>21,176,844</u>	<u>21,458,092</u>
Maintenance ad valorem taxes	14,075,247	-	-	14,075,247	13,868,782
General obligation bonds taxes	-	4,806,236	-	4,806,236	4,290,656
Federal revenue, nonoperating	-	20,067,090	-	20,067,090	17,152,657
Gifts	185,815	-	-	185,815	39,629
Investment income	161,153	409,460	-	570,613	334,387
Other nonoperating revenues	-	83,717	-	83,717	49,988
Total nonoperating revenues	<u>30,315,438</u>	<u>30,650,124</u>	<u>-</u>	<u>60,965,562</u>	<u>57,194,191</u>
<b>NONOPERATING EXPENSES</b>					
Interest on capital related debt	-	(2,429,702)	-	(2,429,702)	(1,959,128)
Loss on disposal of fixed assets	-	(115,143)	-	(115,143)	(66,243)
Total nonoperating expenses	<u>-</u>	<u>(2,544,845)</u>	<u>-</u>	<u>(2,544,845)</u>	<u>(2,025,371)</u>
<b>NET NONOPERATING REVENUES</b>	<u>\$ 30,315,438</u>	<u>\$ 28,105,279</u>	<u>\$ -</u>	<u>\$ 58,420,717</u>	<u>\$ 55,168,820</u>
				(Exhibit 2)	(Exhibit 2)

**AMARILLO COLLEGE  
SCHEDULE D  
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
<b>CURRENT</b>							
Unrestricted	\$ 18,309,849	\$ -	\$ -	\$ -	\$ 18,309,849	\$ 18,309,849	\$ -
Board designated	-	-	-	-	-	-	-
Restricted	-	5,480,694	-	-	5,480,694	5,480,694	-
Auxiliary enterprises	5,845,396	-	-	-	5,845,396	5,845,396	-
<b>LOAN</b>	-	-	-	-	-	-	-
<b>ENDOWMENT</b>							
Quasi:							
Unrestricted	-	671,433	-	-	671,433	-	671,433
Restricted	-	-	2,620,000	-	2,620,000	-	2,620,000
Endowment	-	-	-	-	-	-	-
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
<b>PLANT</b>							
Unexpended	-	336,980	-	-	336,980	-	336,980
Renewals	-	-	-	-	-	-	-
Debt service	-	2,009,835	-	-	2,009,835	-	2,009,835
Investment in plant	-	-	-	65,464,050	65,464,050	-	65,464,050
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
Total net assets, August 31, 2010	21,995,728	8,427,865	2,590,000	66,184,067	99,197,660 (Exhibit 1)	27,935,428	71,262,232
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	<u>\$ 2,159,517</u>	<u>\$ 71,077</u>	<u>\$ 30,000</u>	<u>\$ (720,017)</u>	<u>\$ 1,540,577</u> (Exhibit 2)	<u>\$ 1,700,511</u>	<u>\$ (159,934)</u>



**AMARILLO COLLEGE  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2011**

<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>
<b>U.S. Department of Education</b>			
Direct Programs:			
Student Financial Aid Cluster			
FSEOG	84.007	-	\$ 169,719
Federal College Work Study Program	84.033	-	198,952
Federal Pell Grant Program	84.063	-	19,343,777
Federal Direct Student Loans	84.268	-	12,931,861
Academic Competitiveness Grant	84.375	-	347,140
College Cost Reduction & Access Act (CCRAA)	84.031C	-	338,895
Title V Grant Developing Hispanic Servicing Institutions	84.031S	-	531,009
Trio - Student Support Services	84.042	-	433,252
Migrant Education High School Equivalency Program	84.141A	-	548,983
GEAR UP	84.334A	-	1,207,487
College Access Challenge Grant Program	84.378A	-	7,500
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education Basic	84.048	114203	619,929
Perkins State Leadership STEM	84.048	P11106	39,211
Leveraging Education Assistance Partnership	84.069A	-	6,294
Special Leveraging Education Assistance Partnership	84.069B	-	11,638
Carl Perkins Tech Prep Program	84.243	111702	207,388
South Plains College			
Title V Grant	84.031S	-	3,089
<b>Total U.S. Department of Education</b>			<u>36,946,124</u>
<b>U.S. Department of Commerce</b>			
Direct Programs:			
National Telecommunications and Information Admin.	11.553	-	9,500
<b>Total U.S. Department of Commerce</b>			<u>9,500</u>
<b>U.S. Department of Labor</b>			
Pass-Through From:			
Texas Workforce Commission			
Wagner - Peyser Bell Helicopter	17.207	-	(104,399)
<b>Total U.S. Department of Labor</b>			<u>(104,399)</u>
<b>National Science Foundation</b>			
Direct Programs:			
NSF ATE Solar	47.076	DUE #1002535	263,757
Pass -Through From:			
West Texas A&M University			
NSF STEM	47.076	-	29,937
<b>Total National Science Foundation</b>			<u>293,694</u>
<b>U.S. Department of Energy</b>			
Pass-Through From:			
State Energy Conservation Office			
Texas Renewable Energy Education Consortium (TREETC)	81.041	-	4,443
Comptroller's Office			
ARRA - Energy Sector Training Centers Program	81.041	DEEE0000116	241,791
<b>Total U.S. Department of Energy</b>			<u>246,234</u>
<b>U.S. Department of Health and Human Services</b>			
Pass-Through From:			
Partnership for Environmental Technology Education (PETE)			
National Institute of Environmental Health Sciences (NIEHS)	93.142	1U45ES019338-01DOE	15,000
<b>Total U.S. Department of Health and Human Services</b>			<u>15,000</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 37,406,153</u>

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

**AMARILLO COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**August 31, 2011**

**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	\$ 4,407,202
Federal Grants and Contracts Revenue per Schedule C	20,067,090
Federal Direct Student Loans	<u>12,931,861</u>
<b>Total federal revenues per Schedule of Expenditures of Federal Awards</b>	<b><u>\$37,406,153</u></b>

**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.

**NOTE 3 - AMOUNTS PASSED THROUGH BY THE COLLEGE**

The following amounts were passed-through to the listed subrecipients by the College. These amounts were from the Carl Perkins Tech Prep Program, CFDA 84.243 from the U.S. Department of Education through the Texas Higher Education Coordinating Board.

Caprock High School	\$ 5,830
Clarendon College	25,578
Darrouzett High School	5,006
Farwell High School	1,820
Frank Phillips College	27,640
Palo Duro High School	3,709
Pampa High School	3,395
Silverton High School	4,998
STATCO	1,125
Texline High School	4,704
Tulia High School	3,537
White Deer ISD	<u>4,987</u>
<b>Total amount passed through</b>	<b><u>\$ 92,329</u></b>

**AMARILLO COLLEGE  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2011**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<b>Texas Workforce Commission</b>		
Skills Development NWITH	0109SDF000	\$ 165,738
Skills Development Bell Helicopter	0109SDF001	152,252
Total Skills Development		<u>317,990</u>
Apprenticeship Training Program	0111ATP000	<u>109,317</u>
<b>Total Texas Workforce Commission</b>		<u>427,307</u>
<b>Texas Department of Criminal Justice</b>		
Pass-Through From:		
Panhandle Regional Planning Commission		
Law Enforcement Training	SF-01-A10-14269-11	<u>71,049</u>
<b>Texas Higher Education Coordinating Board</b>		
Texas Grant Program	-	760,707
Texas Educational Opportunity Grant	-	233,180
College Readiness Special Advisor (CRSA)	-	78,986
Accel Dev Ed Pilot Project	-	3,812
Top 10% Scholarships	-	122,528
SLDS Grant	-	2,554
Nursing Shortage Reduction	-	93,648
Professional Nursing Scholarship	-	13,186
Vocational Nursing Scholarship	-	657
AVID	-	<u>5,785</u>
<b>Total Texas Higher Education Coordinating Board</b>		<u>1,315,043</u>
<b>Texas State Comptroller</b>		
Jobs and Education for Texans (JET) Grants	-	<u>108,736</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u><u>\$ 1,922,135</u></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, 2011**

**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>\$ 1,992,135</u>
<b>Total Grants and Contracts Revenue per Schedule F</b>	<u><b>\$ 1,992,135</b></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.

This page left blank intentionally.

**SINGLE AUDIT SECTION**

This page left blank intentionally.

**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, 2011 and have issued our report thereon dated November 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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*.



This page left blank intentionally.

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, McMullen, Mitchell & Shennum, PLLC*

Amarillo, Texas  
November 22, 2011

This page left blank intentionally.

**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 the compliance of Amarillo College (the College) 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, 2011. 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, 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 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, 2011. However, the results of our auditing procedures disclosed 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 2011-06 through 2011-08, 2011-10, and 2011-11.

This page left blank intentionally.

## Internal Control Over Compliance

The 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 2011-01 through 2011-05, and 2011-09. 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, McMillon, Mitchell & Stumm, PLLC*

Amarillo, Texas  
November 22, 2011

This page left blank intentionally.

**AMARILLO COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2011**

**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 College Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.375	Academic Competitiveness Grant
84.031S	Title V Grant – Developing Hispanic Serving Institutions
84.048	Carl Perkins Vocational Education Basic/Perkins State Leadership STEM
84.141A	Migrant Education High School Equivalency Program
	U.S. Department of Energy
81.041	ARRA – Energy Sector Training Centers Program
<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, 2011**

**SECTION II – Financial Statement Findings**

None noted.

**SECTION III – Federal and State Award Findings and Questioned Costs**

**Finding 2011-01**

*Program:* Student Financial Aid Cluster

*Condition:* A student that graduated during the year was 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 does not have a system in place to check for late graduates.

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

*Context:* A sample of 40 student files were reviewed. This item represents one item 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 had been amended to include notifications to the Clearinghouse for any individual who graduated on a case-by-case basis after end-of-term processes are complete. However, we failed to account for the batch graduation processes that are institutionally (not student) initiated. We have redesigned those batch graduation processes and are now certain of our ability to report graduates to the Clearinghouse in a timely manner.

**Finding 2011-02**

*Program:* Texas Grant Program

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

*Criteria:* Per the grant agreement and the OMB A-133 Compliance Supplement, there should be procedures in place to minimize the time between the receipt of funds and the disbursement of funds, which is a maximum of five days per the grant agreement.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-02 (Continued)**

*Cause:* There appears to be a lack of communication and follow-up. Once the financial aid office approves the disbursements they should follow up with the business office to ensure that the disbursements were made within the applicable timeline.

*Effect:* Funding from the grant could be discontinued.

*Context:* Reviewed seven receipts of funds, two of which were not disbursed within in the five-day timeline.

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

*Views of Responsible Officials and Corrective Action Plan:* The following plan will be implemented as of October 27, 2011 pertaining to the Texas Grant funds that were not disbursed within five days of the advance request being received.

After researching our processes for requesting Texas Grant Funds, we determined that smaller amounts of the Texas Grant funds should be requested and submitted electronically to the Texas Higher Education Coordinating Board. This will allow us adequate time to check the students for eligibility, award the student, and for the Business Office to run their process that disburses the funds to the student account receivable within the five-day time frame. After the first request is processed within the five-day time frame, additional funds will be requested as needed.

By noon of the fifth day of the disbursement period any funds that have not been awarded and disbursed will be returned by Electronic Funds Transfer (EFT) to the Texas Higher Education Coordinating Board by the Business Office. An e-mail will be sent to the Associate Director 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.

**Finding 2011-03**

*Program:* 84.048 Carl Perkins Vocational Education Basic/Perkins State Leadership STEM

*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.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-03 (Continued)**

*Criteria:* Per the OMB A-133 Compliance Supplement, federal funds should only be used during the authorized period of availability.

*Cause:* Lack of internal controls over the review of supporting documentation of transactions to ensure they are in the right period of availability.

*Effect:* Funds will have to be returned to the grant and possible termination of the grant.

*Context:* A sample of 68 expenditures were selected for audit. The test found five expenditures that were charged to the incorrect fiscal 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.

*Views of Responsible Officials and Corrective Action Plan:* This finding was discovered during the summer of 2011 and involved the childcare and transportation scholarships given to students through the Perkins Basic grant. To correct the findings for the 2010-2011 Basic Grant, all childcare/transportation invoices for September, October, and November 2010 were reviewed. All expenditures that were outside the award period were transferred out of the grant. This was done before the grant ended in August. All funds that needed to be returned were done through subsequent reduced invoices to the Texas Higher Education Coordinating Board (THECB).

In order to prevent this from happening in the future, two steps have been taken.

1. Grant accounting and grant compliance met with the counselors who issue these scholarships. We explained what had happened and reminded them that all expenditures for these scholarships must be in the correct period of availability. The counselors have changed their procedures to correct this finding and have added additional wording to their contracts with the students, so that the students are aware of the correct period of availability. The counselors have also added it to their checklist of things to look for when reviewing these invoices.
2. Additionally, all childcare/transportation receipts are sent to grant accounting for verification and approval prior to payment.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-04**

*Program:* 84.048 Carl Perkins Vocational Education Basic/Perkins State Leadership STEM

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

*Criteria:* Per the OMB A-133 Compliance Supplement, no purchase should be made with any debarred or suspended party.

*Cause:* Amarillo College personnel were not aware of the verification process for covered transactions.

*Effect:* Covered transactions could be made with vendors that are suspended or debarred thus exposing the College to potential liability.

*Context:* A sample of two covered transactions were selected for testing. The test found that vendors were not verified for potential suspension or debarment on either covered transaction.

*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.

*Views of Responsible Officials and Corrective Action Plan:* Our current Purchasing guidelines on suspension and debarment requirements were implemented in March 2011. The following revised action plan for this finding calls for expanded guidelines to be put into place. "Covered transactions" in the amount of \$25,000 or more, regardless of the source of funds, will be verified by the Purchasing Director to ensure the vendor has not been suspended or debarred or otherwise excluded. This verification will be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services (GSA). The Grant Directors will review grant agreements and notify other college personnel of grant requirements.

**Finding 2011-05**

*Program:* 84.048 Carl Perkins Vocational Education Basic/Perkins State Leadership STEM

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

*Criteria:* Per the OMB A-133 Compliance Supplement, reports should be submitted timely.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-05 (Continued)**

*Cause:* College personnel overlooked the due dates of the reports.

*Effect:* The College may be penalized for the late reports or the grant agreement may be terminated.

*Context:* A sample of five reports were selected for testing. The test found that three of the reports were submitted late.

*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.

*Views of Responsible Officials and Corrective Action Plan:* Both annual reports, Perkins Basic and State Leadership STEM, were submitted prior to the deadline. However, adjustments were needed on both reports. This required that the staff from the Texas Higher Education Coordinating Board (THECB) reopen the reports. This process took some time to do, throwing the final reports past the deadline for submission. Once the reports were reopened, the adjustments to the reports were made and final reports submitted the same day. Please note that through this entire process, the College's grant accounting staff and THECB staffs were in contact with each other so that all were aware of what was taking place.

Future reports will be more thoroughly reviewed prior to submission. Additionally, future reports will be submitted in a manner which will allow for reopening, if the need arises.

Once alerted by THECB that a Perkins Basic programmatic progress report deadline had been missed, the Perkins project director worked with THECB Perkins staff to receive permission for late submission. The project director was granted verbal permission to submit late programmatic reports by THECB Perkins staff and the reports were promptly submitted.

Perkins Basic grant programmatic reports have decreased in frequency from quarterly to semi-annual (twice per year). To ensure timely submission of both programmatic reports each year, the Office of Grant Compliance will work with Perkins grant project director to remind, review and approve the programmatic progress reports prior to submission.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-06**

*Program:* 84.141A Migrant Education High School Equivalency Program

*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.

*Criteria:* Per the OMB A-133 Compliance Supplement, federal funds should only be used during the authorized period of availability.

*Cause:* Lack of internal controls over the review of supporting documentation of transactions to ensure they are in the right period of availability.

*Effect:* Funds will have to be returned to the grant and possible termination of the grant.

*Context:* A sample of 68 expenditures were selected for audit. The test found one expenditure was not in compliance, totaling \$501.82, which was charged to the wrong fiscal 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.

*Views of Responsible Officials and Corrective Action Plan:* This finding occurred in the summer of 2011 and is concerning cafeteria charges from the fall of 2009 to the Migrant Education High School Equivalency Program (HEP). This expenditure was transferred out of the grant before the end of the fiscal year. Therefore, no refund is due to the Department of Education as that was done through reduced subsequent invoices.

Grant Accounting and Grant Compliance met with the Project Director and staff of the grant. They were reminded that all grant expenditures must be within the timeframe of the grant. We also required them to add this to their checklist of things to look for when approving documents such as travel, request to pay, and invoices on blanket purchase orders, and requisitions as has been done in Grant Accounting and Grant Compliance.

**Finding 2011-07**

*Program:* 84.141A Migrant Education High School Equivalency Program

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

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-07(Continued)**

*Criteria:* Per the OMB A-133 Compliance Supplement, the data reported in reports should agree to underlying data.

*Cause:* There are no policies or procedures in place to ensure reports are reviewed and approved and the lack of review is a contributing factor to the incorrect data being reported.

*Effect:* The amounts and data reported to the Department of Education could be incorrect. Incorrect reporting could result in termination of the grant agreement.

*Context:* A sample of three reports were tested and two reports were noted to have incorrect data.

*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.

*Views of Responsible Officials and Corrective Action Plan:* All subsequent reports will be reviewed by both the Accountant and the Grant Accounting Manager for accuracy and correctness.

**Finding 2011-08**

*Program:* 81.041 ARRA – Energy Sector Training Centers Program

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

*Criteria:* Per the grant agreement, any employer receiving covered funds under ARRA shall post notice of the rights and remedies as required by Section 1553 of ARRA.

*Cause:* College personnel were not aware of this requirement.

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

*Context:* The grant document was reviewed and CMMS inquired of responsible personnel.

*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.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-08 (Continued)**

*Views of Responsible Officials and Corrective Action Plan:* As of October 27, 2011, the above-mentioned notice of rights and remedies has been posted per requirements in the Amarillo College Human Resources Department.

The Office of Grant Compliance and the Office of Grant Accounting will review all grant contract documentation authorized by Amarillo College upon receipt of award. The Office of Grant Compliance will work with relevant project personnel to review the appropriate grant contract documentation and implement any grant requirements.

**Finding 2011-09**

*Program:* 81.041 ARRA – Energy Sector Training Centers Program

*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.

*Criteria:* The review and approval of reports is a key internal control in the reporting process of this grant.

*Cause:* There are no policies or procedures in place to ensure reports are reviewed and approved.

*Effect:* The amounts and data reported to the State of Texas could be incorrect and incorrect reporting could result in termination of the grant agreement.

*Context:* A sample of four reports were tested and none of the reports were reviewed by another employee before being submitted to the funding agency.

*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.

*Views of Responsible Officials and Corrective Action Plan:* The Office of Grant Compliance will coordinate the review and approval of all monthly, quarterly and/or annual progress reports submitted by Amarillo College to the appropriate federal or state funding agency. The Office of Grant Compliance will monitor progress report due dates to ensure timely report approval and submission. The project director will submit all progress reports after receiving documented approval by the Office of Grant Compliance.



**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-10**

*Program:* 81.041 ARRA – Energy Sector Training Centers Program

*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.

*Criteria:* Amarillo College should report the total cumulative ARRA expenditures on each monthly Use of Fund Report.

*Cause:* There are no policies or procedures in place to ensure reports are reviewed and approved and the lack of review is a contributing factor to the incorrect amount being reported.

*Effect:* The amounts and data reported to the State of Texas could be incorrect. Incorrect reporting could result in termination of the grant agreement.

*Context:* A sample of four reports was tested and one report was noted to have incorrect amounts.

*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.

*Views of Responsible Officials and Corrective Action Plan:* The erroneous cumulative outlay reported in the October 2010 program report was reported correctly in the subsequent November 2010 program report.

The October 2010 outlay amount reported on the October program report (\$228,741) was not a cumulative total. The College's cumulative total outlay as of October 31, 2010 should have been reported as \$398,437 (the September 2010 Reimbursement Request of \$169,696 plus the October 2010 Reimbursement Request of \$228,741).

In November 2010, the College submitted the November program report showing a cumulative total outlay of \$398,437. This was the correct total outlay as of November 30, 2010. No additional reimbursement was requested in November 2010.

Both financial reimbursement reports (VISS) requesting reimbursement for outlays (September 2010 and October 2010) were submitted with the correct amounts. It was only the October 2010 program report where the cumulative outlay total was erroneously reported. And, as mentioned above, the cumulative total was revised and corrected in the November 2010 program report.

As of the September 2011 report, the Office of Grant Compliance documented review and approval of the monthly progress report prior to submission.

**AMARILLO COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended August 31, 2011**

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

**Finding 2011-10 (Continued)**

As previously stated in Finding 2011-10, the Office of Grant Compliance will coordinate review and approval of all monthly, quarterly and/or annual progress reports submitted by the College to the appropriate federal or state funding agency. The Office of Grant Compliance will monitor progress report due dates to ensure timely report approval and submission. The project director will submit all progress reports after receiving documented approval by the Office of Grant Compliance.

**Finding 2011-11**

*Program:* 81.041 ARRA – Energy Sector Training Centers Program

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

*Criteria:* Per the grant agreement, the educational institution receiving Federal Funds should hold an educational program on the U.S. Constitution on September 17, unless that day falls on a Saturday, Sunday, or holiday, and in that case, the day can be held the following day.

*Cause:* College personnel were not aware of the date-specific requirement.

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

*Context:* The grant document was reviewed and CMMS inquired of responsible personnel.

*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.

*Views of Responsible Officials and Corrective Action Plan:* The College celebrated Constitution Day while honoring the victims of 9/11 on September 14, 2010. The College did not intend to neglect its duties to celebrate Constitution Day, but rather combined honoring America's founding with memorializing the men and women who died in a national tragedy.

In the future, Amarillo College will celebrate Constitution Day as required by the applicable federal regulation (Federal Register dated May 24, 2005, Volume 70, Number 99, Section 111). Constitution Day will be held on September 17 of each year. However, when September 17 falls on a Saturday, Sunday, or a holiday, Constitution Day shall be held during the preceding or following week.

**AMARILLO COLLEGE  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2011**

**Finding 2011-01**

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

*Corrective Action Plan:* Processes had been amended to include notifications to the Clearinghouse for any individual who graduated on a case-by-case basis after end-of-term processes are complete. However, we failed to account for the batch graduation processes that are institutionally (not student) initiated. We have redesigned those batch graduation processes and are now certain of our ability to report graduates to the Clearinghouse in a timely manner.

**Finding 2011-02**

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

*Corrective Action Plan:* The following plan will be implemented as of October 27, 2011 pertaining to the Texas Grant funds that were not disbursed within five days of the advance request being received.

After researching our processes for requesting Texas Grant Funds, we determined that smaller amounts of the Texas Grant funds should be requested and submitted electronically to the Texas Higher Education Coordinating Board. This will allow us adequate time to check the students for eligibility, award the student, and for the Business Office to run their process that disburses the funds to the student account receivable within the five-day time frame. After the first request is processed within the five-day time frame, additional funds will be requested as needed.

By noon of the fifth day of the disbursement period any funds that have not been awarded and disbursed will be returned by Electronic Funds Transfer (EFT) to the Texas Higher Education Coordinating Board by the Business Office. An e-mail will be sent to the Associate Director 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  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED  
Year Ended August 31, 2011**

**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.

*Corrective Action Plan:* This finding was discovered during the summer of 2011 and involved the childcare and transportation scholarships given to students through the Perkins Basic grant. To correct the findings for the 2010-2011 Basic Grant, all childcare/transportation invoices for September, October, and November 2010 were reviewed. All expenditures that were outside the award period were transferred out of the grant. This was done before the grant ended in August. All funds that needed to be returned were done through subsequent reduced invoices to the Texas Higher Education Coordinating Board (THECB).

In order to prevent this from happening in the future, two steps have been taken.

1. Grant accounting and grant compliance met with the counselors who issue these scholarships. We explained what had happened and reminded them that all expenditures for these scholarships must be in the correct period of availability. The counselors have changed their procedures to correct this finding and have added additional wording to their contracts with the students, so that the students are aware of the correct period of availability. The counselors have also added it to their checklist of things to look for when reviewing these invoices.
2. Additionally, all childcare/transportation receipts are sent to grant accounting for verification and approval prior to payment.

**Finding 2011-04**

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

*Corrective Action Plan:* Our current Purchasing guidelines on suspension and debarment requirements were implemented in March 2011. The following revised action plan for this finding calls for expanded guidelines to be put into place. "Covered transactions" in the amount of \$25,000 or more, regardless of the source of funds, will be verified by the Purchasing Director to ensure the vendor has not been suspended or debarred or otherwise excluded. This verification will be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services (GSA). The Grant Directors will review grant agreements and notify other college personnel of grant requirements.

**AMARILLO COLLEGE  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED  
Year Ended August 31, 2011**

**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.

*Corrective Action Plan:* Both annual reports, Perkins Basic and State Leadership STEM, were submitted prior to the deadline. However, adjustments were needed on both reports. This required that the staff from the Texas Higher Education Coordinating Board (THECB) reopen the reports. This process took some time to do, throwing the final reports past the deadline for submission. Once the reports were reopened, the adjustments to the reports were made and final reports submitted the same day. Please note that through this entire process, the College's grant accounting staff and THECB staffs were in contact with each other so that all were aware of what was taking place.

Future reports will be more thoroughly reviewed prior to submission. Additionally, future reports will be submitted in a manner which will allow for reopening, if the need arises.

Once alerted by THECB that a Perkins Basic programmatic progress report deadline had been missed, the Perkins project director worked with THECB Perkins staff to receive permission for late submission. The project director was granted verbal permission to submit late programmatic reports by THECB Perkins staff and the reports were promptly submitted.

Perkins Basic grant programmatic reports have decreased in frequency from quarterly to semi-annual (twice per year). To ensure timely submission of both programmatic reports each year, the Office of Grant Compliance will work with Perkins grant project director to remind, review and approve the programmatic progress reports prior to submission.

**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.

*Corrective Action Plan:* This finding occurred in the summer of 2011 and is concerning cafeteria charges from the fall of 2009 to the Migrant Education High School Equivalency Program (HEP). This expenditure was transferred out of the grant before the end of the fiscal year. Therefore, no refund is due to the Department of Education as that was done through reduced subsequent invoices.

**AMARILLO COLLEGE  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED  
Year Ended August 31, 2011**

**Finding 2011-06** (Continued)

Grant Accounting and Grant Compliance met with the Project Director and staff of the grant. They were reminded that all grant expenditures must be within the timeframe of the grant. We also required them to add this to their checklist of things to look for when approving documents such as travel, request to pay, and invoices on blanket purchase orders, and requisitions as has been done in Grant Accounting and Grant Compliance.

**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.

*Corrective Action Plan:* All subsequent reports will be reviewed by both the Accountant and the Grant Accounting Manager for accuracy and correctness.

**Finding 2011-08**

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

*Corrective Action Plan:* As of October 27, 2011, the above-mentioned notice of rights and remedies has been posted per requirements in the Amarillo College Human Resources Department.

The Office of Grant Compliance and the Office of Grant Accounting will review all grant contract documentation authorized by Amarillo College upon receipt of award. The Office of Grant Compliance will work with relevant project personnel to review the appropriate grant contract documentation and implement any grant requirements.

**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.

*Corrective Action Plan:* The Office of Grant Compliance will coordinate the review and approval of all monthly, quarterly and/or annual progress reports submitted by Amarillo College to the appropriate federal or state funding agency. The Office of Grant Compliance will monitor progress report due dates to ensure timely report approval and submission. The project director will submit all progress reports after receiving documented approval by the Office of Grant Compliance.

**AMARILLO COLLEGE  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED  
Year Ended August 31, 2011**

**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.

*Corrective Action Plan:* The erroneous cumulative outlay reported in the October 2010 program report was reported correctly in the subsequent November 2010 program report.

The October 2010 outlay amount reported on the October program report (\$228,741) was not a cumulative total. The College's cumulative total outlay as of October 31, 2010 should have been reported as \$398,437 (the September 2010 Reimbursement Request of \$169,696 plus the October 2010 Reimbursement Request of \$228,741).

In November 2010, the College submitted the November program report showing a cumulative total outlay of \$398,437. This was the correct total outlay as of November 30, 2010. No additional reimbursement was requested in November 2010.

Both financial reimbursement reports (VISS) requesting reimbursement for outlays (September 2010 and October 2010) were submitted with the correct amounts. It was only the October 2010 program report where the cumulative outlay total was erroneously reported. And, as mentioned above, the cumulative total was revised and corrected in the November 2010 program report.

As of the September 2011 report, the Office of Grant Compliance documented review and approval of the monthly progress report prior to submission.

As previously stated in Finding 2011-10, the Office of Grant Compliance will coordinate review and approval of all monthly, quarterly and/or annual progress reports submitted by the College to the appropriate federal or state funding agency. The Office of Grant Compliance will monitor progress report due dates to ensure timely report approval and submission. The project director will submit all progress reports after receiving documented approval by the Office of Grant Compliance.

**AMARILLO COLLEGE  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS, CONTINUED  
Year Ended August 31, 2011**

**Finding 2011-11**

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

*Corrective Action Plan:* The College celebrated Constitution Day while honoring the victims of 9/11 on September 14, 2010. The College did not intend to neglect its duties to celebrate Constitution Day, but rather combined honoring America's founding with memorializing the men and women who died in a national tragedy.

In the future, Amarillo College will celebrate Constitution Day as required by the applicable federal regulation (Federal Register dated May 24, 2005, Volume 70, Number 99, Section 111). Constitution Day will be held on September 17 of each year. However, when September 17 falls on a Saturday, Sunday, or a holiday, Constitution Day shall be held during the preceding or following week.



**AMARILLO COLLEGE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended August 31, 2011**

**Finding 2010-01**

*Condition:* The bank reconciliation for one bank account was not reconciled on a timely basis, and on another bank account the bank reconciliation was not signed off indicating the account had been reviewed.

*Recommendation:* Bank reconciliations should be reconciled promptly to ensure that all transactions as recorded are accurate and allow for prompt investigation on any questionable transactions. All reviews need to be completed and indication of such review provided to ensure adequate controls are in place.

*Current Status:* The accountant who performs the reconciliation process verifies that the reviews of prior months have been completed before starting the next month. Also, the reviewer keeps a checklist to verify that all reconciliations have been completed within 30 days. There have been no exceptions in this year. Any exceptions will be documented and signed off on by reviewer.

**Finding 2010-02**

*Condition:* One student that had graduated during the fiscal year had not been reported to the National Student Clearinghouse as graduating. Another student that had graduated was reported withdrawing instead of graduating.

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

*Current Status:* Our procedures for awarding a degree after the end-of-term processes are completed on a case-by-case basis and were updated to include a notice to the Clearinghouse reporting official. An amendment is also sent to the original degree verification department for each individual as they graduate.

**Finding 2010-03**

*Condition:* An Advance Request Report did not have signed approval prior to submission of the report.

*Recommendation:* Implement a system to ensure that all reports receive a signed authorization before advance requests are submitted.

**AMARILLO COLLEGE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, CONTINUED**  
**Year Ended August 31, 2011**

**Finding 2010-03** (Continued)

*Current Status:* In November 2010 a plan was implemented to ensure that all requests of funds for the Texas Grant Program receive a signed authorization before the advance requests are submitted.

The financial aid staff person responsible for awarding Texas Grant, contacts via e-mail, the Associate Director or in her absence the Director of Financial Aid for approval to request Texas Grant funds. This e-mail contains the type of award, i.e., Texas Grant Initial or Returning, and the dollar amount requested. This request is approved and signed off by the Associate Director or in her absence the Director of Financial Aid before any funds are actually requested. The hard copy of the e-mail notification and the advance request reports are kept by the Director and Associate Director.

After the financial aid staff person receives this approval to request funds, this person logs into the Co-Boards Grants and Special Programs site to access the request for funds form. The requested information is entered along with the approved dollar amount which is then submitted electronically. The approved hard copy of the funds request form is also kept by the Director and Associate Director.

This page left blank intentionally.

**STATISTICAL SUPPLEMENT**  
(Unaudited)

This page left blank intentionally.

**Amarillo College**  
**Statistical Supplement 1**  
**Net Assets by Component**  
**Fiscal Years 2002 to 2011**  
(unaudited)  
(amounts expressed in thousands)

	<b>For the Fiscal Year Ended August 31,</b>									
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Invested in capital assets, net of related debt	\$ 65,464	\$ 66,184	\$ 71,483	\$ 71,488	\$ 74,600	\$ 73,263	\$ 80,492	\$ 80,473	\$ 82,525	\$ 13,147
Restricted - expendable	8,499	8,428	8,250	8,406	8,730	8,117	7,121	6,592	6,204	6,581
Restricted - nonexpendable	2,620	2,590	2,590	2,530	2,530	2,500	2,500	2,000	2,000	-
Unrestricted	24,155	21,996	21,079	19,507	17,294	15,780	15,237	14,594	14,487	15,401
<b>Total primary government net assets</b>	<b>\$ 100,738</b>	<b>\$ 99,198</b>	<b>\$ 103,402</b>	<b>\$ 101,931</b>	<b>\$ 103,154</b>	<b>\$ 99,660</b>	<b>\$ 105,350</b>	<b>\$ 103,659</b>	<b>\$ 105,216</b>	<b>\$ 35,129</b>

**Amarillo College**  
**Statistical Supplement 2**  
**Revenues by Source**  
**Fiscal Years 2002 to 2011**  
(unaudited)

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	\$ 13,169	\$ 12,778	\$ 11,741	\$ 10,579	\$ 9,899	\$ 9,385	\$ 8,715	\$ 7,780	\$ 5,960	\$ 5,683
Governmental grants and contracts										
Federal grants and contracts	4,407	6,172	4,924	3,447	2,874	2,702	2,171	2,111	1,933	2,006
State grants and contracts	1,922	1,788	1,191	1,213	1,212	1,449	1,065	1,520	2,025	1,232
Local grants and contracts	1,953	1,813	2,009	1,582	1,444	1,282	1,173	889	839	733
Nongovernmental grants and contracts	1,557	1,164	1,438	1,190	1,220	1,725	2,357	1,165	1,366	861
Sales and services of educational activities	524	580	540	464	457	440	464	547	601	823
Auxiliary enterprises	6,907	7,182	6,931	6,245	6,066	6,842	6,420	6,048	5,880	5,673
Other operating revenues	246	212	285	222	222	207	133	7	43	230
Total operating revenues	30,685	31,689	29,059	24,942	23,394	24,032	22,498	20,067	18,647	17,241
State appropriations	21,177	21,458	22,597	22,511	22,003	21,787	19,766	19,410	20,236	21,659
Ad valorem taxes	18,881	18,160	17,668	14,855	13,555	12,774	12,304	11,505	10,755	10,113
Federal revenue, nonoperating	20,067	17,153	11,569	8,609	7,995	8,591	8,777	9,027	7,654	6,190
Gifts	186	39	38	138	45	6	849	77	1,500	-
Investment income	571	334	545	744	1,545	1,169	707	383	345	519
Other nonoperating revenues	84	50	18	27	5	9	10	2	(61)	(42)
Total nonoperating revenues	60,966	57,194	52,435	46,884	45,148	44,336	42,413	40,404	40,429	38,439
<b>TOTAL REVENUES</b>	<b>\$ 91,651</b>	<b>\$ 88,883</b>	<b>\$ 81,494</b>	<b>\$ 71,826</b>	<b>\$ 68,542</b>	<b>\$ 68,368</b>	<b>\$ 64,911</b>	<b>\$ 60,471</b>	<b>\$ 59,076</b>	<b>\$ 55,680</b>

For the Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	14.37%	14.38%	14.41%	14.73%	14.44%	13.73%	13.43%	12.87%	10.09%	10.21%
Governmental grants and contracts										
Federal grants and contracts	4.81%	6.94%	6.04%	4.80%	4.19%	3.95%	3.34%	3.49%	3.27%	3.60%
State grants and contracts	2.10%	2.01%	1.46%	1.69%	1.77%	2.12%	1.64%	2.51%	3.43%	2.21%
Local grants and contracts	2.13%	2.04%	2.47%	2.20%	2.11%	1.88%	1.81%	1.47%	1.42%	1.32%
Nongovernmental grants and contracts	1.70%	1.31%	1.77%	1.66%	1.78%	2.52%	3.63%	1.93%	2.31%	1.55%
Sales and services of educational activities	0.57%	0.65%	0.66%	0.65%	0.67%	0.64%	0.71%	0.90%	1.02%	1.48%
Auxiliary enterprises	7.53%	8.08%	8.50%	8.69%	8.85%	10.01%	9.89%	10.00%	9.95%	10.19%
Other operating revenues	0.27%	0.24%	0.35%	0.31%	0.32%	0.30%	0.20%	0.01%	0.07%	0.41%
Total operating revenues	33.48%	35.65%	35.66%	34.73%	34.13%	35.15%	34.65%	33.18%	31.56%	30.97%
State appropriations	23.11%	24.14%	27.73%	31.34%	32.10%	31.87%	30.45%	32.10%	34.25%	38.90%
Ad valorem taxes	20.60%	20.43%	21.68%	20.68%	19.78%	18.68%	18.96%	19.03%	18.21%	18.16%
Federal revenue, nonoperating	21.90%	19.30%	14.20%	11.99%	11.66%	12.57%	13.52%	14.93%	12.96%	11.12%
Gifts	0.20%	0.04%	0.05%	0.19%	0.08%	0.01%	1.31%	0.13%	2.54%	0.00%
Investment income	0.62%	0.38%	0.66%	1.03%	2.24%	1.71%	1.09%	0.63%	0.58%	0.93%
Other nonoperating revenues	0.09%	0.06%	0.02%	0.04%	0.01%	0.01%	0.02%	0.00%	-0.10%	-0.08%
Total nonoperating revenues	66.52%	64.35%	64.34%	65.27%	65.87%	64.85%	65.35%	66.82%	68.44%	69.03%
<b>TOTAL REVENUES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Amarillo College**  
**Statistical Supplement 3**  
**Program Expenses by Function**  
**Fiscal Years 2002 to 2011**  
(unaudited)

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 30,565	\$ 31,266	\$ 29,108	\$ 26,239	\$ 25,492	\$ 27,077	\$ 24,912	\$ 22,842	\$ 22,886	\$ 23,339
Research	-	-	-	-	-	-	-	-	3	10
Public service	3,617	3,536	3,456	3,329	3,081	2,922	2,605	2,475	2,517	2,527
Academic support	3,316	3,291	3,223	2,912	2,894	1,657	1,727	1,763	1,720	1,781
Student services	4,084	3,912	3,793	3,159	2,998	2,935	2,810	2,987	2,972	3,061
Institutional support	12,322	12,176	11,584	11,271	10,307	9,605	9,308	8,349	7,996	7,416
Operation and maintenance of plant	7,168	8,104	6,165	5,783	5,636	5,468	4,807	4,688	4,758	5,236
Scholarships and fellowships	15,329	13,418	8,793	5,731	5,048	6,745	7,156	7,735	5,945	4,963
Auxiliary enterprises	6,596	6,742	6,171	5,920	5,589	5,552	5,271	5,182	4,899	4,703
Depreciation	4,568	4,145	3,585	3,452	3,453	3,563	3,212	3,141	3,095	1,611
<b>Total operating expenses</b>	<b>87,565</b>	<b>86,590</b>	<b>75,878</b>	<b>67,796</b>	<b>64,498</b>	<b>65,524</b>	<b>61,808</b>	<b>59,162</b>	<b>56,791</b>	<b>54,647</b>
Interest on capital related debt	2,430	1,959	1,515	484	538	678	1,093	899	1,222	1,311
Loss on disposal of fixed assets	115	66	141	206	14	35	310	11	67	-
<b>Total nonoperating expenses</b>	<b>2,545</b>	<b>2,025</b>	<b>1,656</b>	<b>690</b>	<b>552</b>	<b>713</b>	<b>1,403</b>	<b>910</b>	<b>1,289</b>	<b>1,311</b>
<b>TOTAL EXPENSES</b>	<b>\$ 90,110</b>	<b>\$ 88,615</b>	<b>\$ 77,534</b>	<b>\$ 68,486</b>	<b>\$ 65,050</b>	<b>\$ 66,237</b>	<b>\$ 63,211</b>	<b>\$ 60,072</b>	<b>\$ 58,080</b>	<b>\$ 55,958</b>

For the Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	33.92%	35.28%	37.54%	38.31%	39.19%	40.88%	39.41%	38.02%	39.40%	41.71%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%
Public service	4.01%	3.99%	4.46%	4.86%	4.74%	4.41%	4.12%	4.12%	4.33%	4.52%
Academic support	3.68%	3.71%	4.16%	4.25%	4.45%	2.50%	2.73%	2.93%	2.96%	3.18%
Student services	4.53%	4.41%	4.89%	4.61%	4.61%	4.43%	4.45%	4.97%	5.12%	5.47%
Institutional support	13.67%	13.74%	14.94%	16.46%	15.84%	14.50%	14.73%	13.90%	13.77%	13.25%
Operation and maintenance of plant	7.95%	9.15%	7.95%	8.45%	8.66%	8.26%	7.60%	7.80%	8.19%	9.36%
Scholarships and fellowships	17.01%	15.14%	11.34%	8.37%	7.76%	10.18%	11.32%	12.88%	10.24%	8.87%
Auxiliary enterprises	7.32%	7.61%	7.96%	8.64%	8.59%	8.38%	8.34%	8.63%	8.43%	8.40%
Depreciation	5.07%	4.68%	4.62%	5.04%	5.31%	5.38%	5.08%	5.23%	5.33%	2.88%
<b>Total operating expenses</b>	<b>97.16%</b>	<b>97.71%</b>	<b>97.86%</b>	<b>98.99%</b>	<b>99.15%</b>	<b>98.92%</b>	<b>97.78%</b>	<b>98.48%</b>	<b>97.78%</b>	<b>97.66%</b>
Interest on capital related debt	2.71%	2.22%	1.96%	0.71%	0.83%	1.03%	1.73%	1.50%	2.10%	2.34%
Loss on disposal of fixed assets	0.13%	0.07%	0.18%	0.30%	0.02%	0.05%	0.49%	0.02%	0.12%	0.00%
<b>Total nonoperating expenses</b>	<b>2.84%</b>	<b>2.29%</b>	<b>2.14%</b>	<b>1.01%</b>	<b>0.85%</b>	<b>1.08%</b>	<b>2.22%</b>	<b>1.52%</b>	<b>2.22%</b>	<b>2.34%</b>
<b>TOTAL EXPENSES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



**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
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%
2001	3.00	21.00	11.00	5.50	-	1.00	333.00	465.00	7.77%	11.51%

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
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%	-
2001	3.00	58.50	-	5.50	-	1.00	783.00	-	6.53%	-

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)
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
2001-02	7,623,338	1,143,751	6,479,587	85.00%	0.11938	0.03477	0.15415

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
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
2001-02	17,479	6,832	2,558	2,253	2,076	4,329	4.04

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)

		<b>Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)</b>									
Taxpayer	Type of Business	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Southwestern Public Service	Utility	\$ 72,317	\$ 71,458	\$ 78,390	\$ 76,543	\$ 86,938	\$ 106,535	\$ 109,819	\$ 113,266	\$ 117,622	\$ 112,037
UHS of Amarillo Inc	Hospital	-	-	-	-	-	84,456	80,327	73,941	68,377	69,155
Wal Mart Stores Inc	Retail Store	84,559	84,745	84,578	79,734	80,832	63,757	57,090	42,927	41,096	39,982
Amarillo Mall LCC	Retail	63,954	63,971	64,087	64,078	60,532	60,540	60,566	54,988	-	-
Southwestern Bell Telephone	Utility	33,121	38,423	42,236	48,997	45,418	47,618	45,570	50,486	59,123	59,206
BNSF Railway Co	Railroad	52,160	47,574	46,339	42,088	37,210	33,334	31,041	33,202	33,219	31,153
Amarillo National Bank	Banking	37,357	36,860	35,520	34,525	30,056	29,340	29,101	25,893	25,997	25,812
Atmos Corp/Energas Co	Utility	-	27,376	28,763	30,446	26,408	24,182	-	19,606	19,606	19,830
TCA Cable Partners II	Cable/Utility	-	-	-	-	-	16,793	22,155	22,721	23,189	22,994
United Supermarkets	Grocery/Retail	-	-	-	-	-	16,412	21,292	-	-	-
Anderson Merchandisers Inc	Warehouse	-	-	-	-	-	-	70,348	-	17,311	18,035
KIR Amarillo/Soncy LP	Retail	-	-	-	-	-	-	-	22,021	-	-
Schroder Amarillo	Retail	-	-	-	-	-	-	-	-	31,967	31,388
Northwest Texas Healthcare Systems Inc	Hospital	86,142	84,248	82,687	85,284	84,286	-	-	-	-	-
TCA Cable of Amarillo Inc	Cable/Utility	-	-	-	-	18,535	-	-	-	-	-
Auto Nation	Auto Dealer	-	-	-	-	19,267	-	-	-	-	-
Ben E. Keith Company	Warehouse	47,962	47,954	34,512	34,550	-	-	-	-	-	-
Case Newport LP	Housing	33,337	33,345	35,915	32,855	-	-	-	-	-	-
Amarillo Economic Development Corp.	Com/Eco Dev	37,797	-	-	-	-	-	-	-	-	-
Totals		<u>\$ 548,706</u>	<u>\$ 535,954</u>	<u>\$ 533,027</u>	<u>\$ 529,100</u>	<u>\$ 489,482</u>	<u>\$ 482,967</u>	<u>\$ 527,309</u>	<u>\$ 459,051</u>	<u>\$ 437,507</u>	<u>\$ 429,592</u>
Total Taxable Assessed Value		<u>\$10,137,071</u>	<u>\$10,069,349</u>	<u>\$9,782,873</u>	<u>\$9,203,976</u>	<u>\$8,416,760</u>	<u>\$7,900,114</u>	<u>\$7,579,735</u>	<u>\$7,123,182</u>	<u>\$6,799,639</u>	<u>\$6,479,587</u>

		<b>% of Taxable Assessed Value (TAV) by Tax Year</b>									
Taxpayer	Type of Business	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Southwestern Public Service	Utility	0.71%	0.71%	0.80%	0.83%	1.03%	1.35%	1.45%	1.59%	1.73%	1.73%
UHS of Amarillo Inc	Hospital	-	-	-	-	-	1.07%	1.06%	1.04%	1.01%	1.07%
Wal Mart Stores Inc	Retail Store	0.83%	0.84%	0.86%	0.87%	0.96%	0.81%	0.75%	0.60%	0.60%	0.62%
Amarillo Partners LP	Retail	0.63%	0.64%	0.66%	0.70%	0.72%	0.77%	0.80%	0.77%	-	-
Southwestern Bell Telephone	Utility	0.33%	0.38%	0.43%	0.53%	0.54%	0.60%	0.60%	0.71%	0.87%	0.91%
BNSF Railway Co	Railroad	0.51%	0.47%	0.47%	0.46%	0.44%	0.42%	0.41%	0.47%	0.49%	0.48%
Amarillo National Bank	Banking	0.37%	0.37%	0.36%	0.38%	0.36%	0.37%	0.38%	0.36%	0.38%	0.40%
Atmos Corp/Energas Co	Utility	-	0.27%	0.29%	0.33%	0.31%	0.31%	-	0.28%	0.29%	0.31%
TCA Cable Partners II	Cable/Utility	-	-	-	-	-	0.21%	0.29%	0.32%	0.34%	0.35%
United Supermarkets	Grocery/Retail	-	-	-	-	-	0.21%	0.28%	-	-	-
Anderson Merchandisers Inc	Warehouse	-	-	-	-	-	-	0.93%	-	0.25%	0.28%
KIR Amarillo/Soncy LP	Retail	-	-	-	-	-	-	-	0.31%	-	-
Schroder Amarillo	Retail	-	-	-	-	-	-	-	-	0.47%	0.48%
Northwest Texas Healthcare Systems Inc	Hospital	0.85%	0.84%	0.85%	0.93%	1.00%	-	-	-	-	-
TCA Cable of Amarillo Inc	Cable/Utility	-	-	-	-	0.22%	-	-	-	-	-
Auto Nation	Auto Dealer	-	-	-	-	0.23%	-	-	-	-	-
Ben E. Keith Company	Warehouse	0.47%	0.48%	0.35%	0.38%	-	-	-	-	-	-
Case Newport LP	Housing	0.33%	0.33%	0.37%	0.36%	-	-	-	-	-	-
Amarillo Economic Development Corp.	Com/Eco Dev	0.37%	-	-	-	-	-	-	-	-	-
Totals		<u>5.40%</u>	<u>5.33%</u>	<u>5.44%</u>	<u>5.77%</u>	<u>5.81%</u>	<u>6.11%</u>	<u>6.96%</u>	<u>6.45%</u>	<u>6.43%</u>	<u>6.63%</u>

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
2011	\$ 18,750	\$ 18	\$ 18,768	\$ 18,406	98.07%	\$ -	\$ -	\$ 18,406	98.07%
2010	18,097	(32)	18,065	17,690	97.93%	166	60	17,916	99.19%
2009	17,559	(24)	17,535	17,150	97.80%	240	54	17,444	99.48%
2008	14,766	(13)	14,753	14,437	97.86%	245	18	14,700	99.64%
2007	13,503	(23)	13,480	13,203	97.95%	223	15	13,441	99.71%
2006	12,674	(19)	12,655	12,393	97.93%	224	7	12,624	99.75%
2005	12,304	-	12,304	11,886	96.60%	388	4	12,278	99.79%
2004	11,505	-	11,505	11,120	96.65%	354	3	11,477	99.76%
2003	10,754	-	10,754	10,299	95.76%	428	2	10,729	99.76%
2002	10,113	-	10,113	9,670	95.62%	398	2	10,070	99.57%

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)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Bonded Debt</b>										
General obligation bonds	\$ 58,205	\$ 60,320	\$ 46,650	\$ 33,355	\$ 13,155	\$ 14,880	\$ 16,475	\$ 17,565	\$ 18,955	\$ 20,060
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	58,205	60,320	46,650	33,355	13,155	14,880	16,475	17,565	18,955	20,060
<b>Other Debt</b>										
Revenue bonds	505	740	965	1,180	1,385	1,580	1,765	1,940	2,110	2,275
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	31	62	91	118	151
Total Outstanding Debt	\$ 58,710	\$ 61,060	\$ 47,615	\$ 34,535	\$ 14,540	\$ 16,491	\$ 18,302	\$ 19,596	\$ 21,183	\$ 22,486

**General Bonded Debt Ratios**

Per Capita	**	\$ 0.32	\$ 0.25	\$ 0.18	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.11
Per FTSE	7.19	8.03	6.94	4.84	1.89	2.08	2.18	2.41	2.71	2.94
As a percentage of Taxable Assessed Value	0.57%	0.59%	0.48%	0.36%	0.16%	0.19%	0.22%	0.25%	0.28%	0.31%

**Total Outstanding Debt Ratios**

Per Capita	**	\$ 0.32	\$ 0.25	\$ 0.19	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.13
Per FTSE	7.26	8.12	7.08	5.01	2.09	2.30	2.42	2.68	3.02	3.29
As a percentage of Taxable Assessed Value	0.58%	0.60%	0.49%	0.38%	0.17%	0.21%	0.24%	0.28%	0.31%	0.35%

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 capita personal income for 2010 were not released because county population estimates consistent with the 2000 and 2010 decennial census are not currently available. We will not have PCPI for MSAs for 2010 until April of next year.

**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)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Taxable Assessed Value	\$ 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	\$ 6,479,587
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	50,685	50,347	48,914	46,020	42,084	39,501	37,899	35,616	33,998	32,398
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	50,685	50,347	48,914	46,020	42,084	39,501	37,899	35,616	33,998	32,398
Current Year Debt Service Requirements	4,784	4,307	4,250	2,197	2,168	2,170	2,178	2,189	2,219	2,252
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 45,901	\$ 46,040	\$ 44,664	\$ 43,823	\$ 39,916	\$ 37,331	\$ 35,721	\$ 33,427	\$ 31,779	\$ 30,146
Net Current Requirements as a % of Statutory Limit	9.44%	8.55%	8.69%	4.77%	5.15%	5.49%	5.75%	6.14%	6.53%	6.95%

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	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
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
2002	281	78	779	449	230	519	100	861	823	4,120	155	113	268	15.37



**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
2010	190,695	*	*	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%
2001	174,650	4,274,020	24,472	4.2%

**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 2010 were not released because county populations estimate consistent with the 2000 and 2010 decennial census are not currently available. We will not have PCPI for MSAs for 2010 until April of next year.

**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	4,103	4.28%
Tyson Foods, Inc.	3,768	3.93%
B&W Pantex	3,247	3.38%
Baptist St. Anthony's Health Care Systems	2,626	2.74%
City of Amarillo	1,807	1.88%
Northwest Texas Healthcare System	1,489	1.55%
Texas Department of Criminal Justice	1,350	1.41%
Bell Helicopter Textron, Inc.	1,104	1.15%
Western National Life Insurance Company	980	1.02%
Xcel Energy	920	0.96%
Total	<u>21,394</u>	<u>22.30%</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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Faculty</b>										
Full-Time	221	234	235	221	229	226	227	223	237	237
Part-Time	556	548	519	565	577	603	572	606	602	475
Total	777	782	754	786	806	829	799	829	839	712
<b>Percent</b>										
Full-Time	28.4%	29.9%	31.2%	28.1%	28.4%	27.3%	28.4%	26.9%	28.2%	33.3%
Part-Time	71.6%	70.1%	68.8%	71.9%	71.6%	72.7%	71.6%	73.1%	71.8%	66.7%
<b>Staff and Administrators</b>										
Full-Time	482	473	473	451	450	451	444	432	445	458
Part-Time	269	283	263	247	252	232	210	228	209	198
Total	751	756	736	698	702	683	654	660	654	656
<b>Percent</b>										
Full-Time	64.2%	62.6%	64.3%	64.6%	64.1%	66.0%	67.9%	65.5%	68.0%	69.8%
Part-Time	35.8%	37.4%	35.7%	35.4%	35.9%	34.0%	32.1%	34.5%	32.0%	30.2%
FTSE per Full-Time Faculty	36.61	32.12	28.62	31.19	30.10	31.73	33.29	32.75	29.55	28.83
FTSE per Full-Time Staff Member	16.79	15.89	14.22	15.29	15.32	15.90	17.02	16.91	15.74	14.92
Average Annual Faculty Salary	\$ 64,087	\$ 61,787	\$ 57,744	\$ 58,042	\$ 56,529	\$ 55,912	\$ 52,391	\$ 52,433	\$ 51,367	\$ 51,313

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

Student Classification	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	7,959	68.97%	6,856	62.64%	6,983	69.67%	7,334	70.61%	7,261	70.11%
31-60 hours	2,594	22.48%	2,913	26.62%	2,402	23.96%	1,945	18.73%	2,024	19.54%
> 60 hours	987	8.55%	1,176	10.74%	638	6.37%	1,108	10.66%	1,071	10.34%
<b>Total</b>	<b>11,540</b>	<b>100.00%</b>	<b>10,945</b>	<b>100.00%</b>	<b>10,023</b>	<b>100.00%</b>	<b>10,387</b>	<b>100.00%</b>	<b>10,356</b>	<b>100.00%</b>

Semester Hour Load	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	82	0.71%	122	1.12%	105	1.05%	135	1.30%	201	1.94%
3-5 semester hours	2,487	21.55%	2,498	22.82%	2,336	23.31%	2,221	21.38%	2,182	21.07%
6-8 semester hours	3,190	27.64%	3,223	29.45%	2,925	29.18%	2,923	28.14%	2,791	26.95%
9-11 semester hours	2,187	18.95%	2,011	18.37%	2,000	19.95%	1,911	18.40%	1,866	18.02%
12-14 semester hours	3,178	27.54%	2,693	24.61%	2,276	22.71%	2,614	25.17%	2,725	26.31%
15-17 semester hours	305	2.65%	297	2.71%	258	2.57%	450	4.33%	428	4.13%
18 & over	111	0.96%	101	0.92%	123	1.23%	133	1.28%	163	1.57%
<b>Total</b>	<b>11,540</b>	<b>100.00%</b>	<b>10,945</b>	<b>100.00%</b>	<b>10,023</b>	<b>100.00%</b>	<b>10,387</b>	<b>100.00%</b>	<b>10,356</b>	<b>100.00%</b>

Average course load	8.3	8.1	8.0	8.4	8.5
---------------------	-----	-----	-----	-----	-----

Tuition Status	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	8,079	70.01%	7,298	66.68%	5,723	57.10%	6,095	58.68%	6,396	61.76%
Texas Resident (Out-of-District)	3,125	27.08%	3,256	29.75%	3,913	39.04%	3,990	38.41%	3,553	34.31%
Non-Resident Tuition	336	2.91%	391	3.57%	387	3.86%	302	2.91%	407	3.93%
<b>Total</b>	<b>11,540</b>	<b>100.00%</b>	<b>10,945</b>	<b>100.00%</b>	<b>10,023</b>	<b>100.00%</b>	<b>10,387</b>	<b>100.00%</b>	<b>10,356</b>	<b>100.00%</b>

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

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>										
Female	7,044	61.04%	6,536	59.72%	6,158	61.44%	6,306	60.71%	6,459	62.37%
Male	4,496	38.96%	4,409	40.28%	3,865	38.56%	4,081	39.29%	3,897	37.63%
Total	<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>	<u>10,356</u>	<u>100.00%</u>

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Ethnic Origin</u>										
White	6,828	59.17%	6,899	63.03%	6,403	63.88%	6,779	65.26%	6,844	66.09%
Hispanic	3,479	30.15%	3,023	27.62%	2,608	26.02%	2,606	25.09%	2,491	24.05%
African American	471	4.08%	529	4.84%	479	4.78%	446	4.29%	425	4.10%
Asian	258	2.23%	265	2.42%	269	2.68%	291	2.80%	257	2.48%
Foreign	3	0.03%	2	0.02%	11	0.11%	-	0.00%	2	0.02%
Native American	70	0.61%	79	0.72%	89	0.89%	100	0.96%	115	1.11%
Other	431	3.73%	148	1.35%	164	1.64%	165	1.60%	222	2.14%
Total	<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>	<u>10,356</u>	<u>100.00%</u>

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Age</u>										
Under 18	2,070	17.94%	2,099	19.18%	1,999	19.94%	1,680	16.17%	1,539	14.86%
18 - 21	3,842	33.29%	3,587	32.77%	3,319	33.11%	3,650	35.14%	3,532	34.11%
22 - 24	1,479	12.82%	1,355	12.38%	1,259	12.56%	1,362	13.11%	1,354	13.07%
25 - 35	2,669	23.13%	2,502	22.86%	2,189	21.84%	2,299	22.13%	2,430	23.46%
36 - 50	1,219	10.56%	1,165	10.64%	1,046	10.44%	1,149	11.06%	1,231	11.89%
51 & over	261	2.26%	237	2.17%	211	2.11%	247	2.39%	270	2.61%
Total	<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>	<u>10,356</u>	<u>100.00%</u>

Average Age	25	25	24	24	25
-------------	----	----	----	----	----

**Amarillo College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2010-2011 Graduates, Completers, and Non-Returners as of Fall 2011**  
**(Includes only public senior colleges in Texas)**

	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	913	23	52	988	66.40%
2 Texas Tech University	203	3	7	213	14.32%
3 Texas A & M University	76	0	2	78	5.24%
4 The University of Texas at Austin	49	0	1	50	3.36%
5 University of North Texas	35	0	0	35	2.35%
6 Angelo State University	21	0	2	23	1.55%
7 Texas State University	20	1	0	21	1.41%
8 The University of Texas at Arlington	13	0	2	15	1.01%
9 The University of Texas at San Antonio	7	0	2	9	0.61%
10 Texas A & M University - Corpus Christi	8	0	0	8	0.54%
11 Midwestern State University	5	0	2	7	0.47%
12 Tarleton State University	6	0	0	6	0.40%
13 The University of Texas at Dallas	4	0	0	4	0.27%
14 Texas A & M University at Commerce	4	0	0	4	0.27%
15 Sam Houston State University	3	0	0	3	0.20%
16 University of Houston	3	0	0	3	0.20%
17 Prairie View A&M University	3	0	0	3	0.20%
18 The University of Texas at El Paso	2	0	0	2	0.14%
19 Stephen F. Austin State University	0	1	1	2	0.13%
20 Texas Woman's University	1	0	1	2	0.13%
21 Lamar University	2	0	0	2	0.13%
22 Texas A & M University - Kingsville	2	0	0	2	0.13%
23 Texas A&M University at Galveston	2	0	0	2	0.13%
24 University of Houston - Downtown	2	0	0	2	0.13%
25 Sul Ross State University	1	0	0	1	0.07%
26 The University of Texas of the Permian Basin	1	0	0	1	0.07%
27 Texas Southern University	1	0	0	1	0.07%
28 University of Houston - Victoria	1	0	0	1	0.07%
<b>Totals</b>	<b>1,388</b>	<b>28</b>	<b>72</b>	<b>1,488</b>	<b>100.00%</b>

**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 2007 to 2011**

	<b>Fiscal Year</b>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Academic buildings	34	35	33	34	33
Square footage (in thousands)	991	930	824	835	833
Libraries*	1	1	1	1	1
Square footage (in thousands)	16	14	14	14	14
Number of Volumes (in thousands)	62	74	75	75	75
Administrative and support buildings	5	4	4	4	4
Square footage (in thousands)	147	117	117	117	117
Rentals					
Apartment Bldgs (formerly Dorms)	1	1	1	1	4
Square footage (in thousands)	6	6	6	6	33
Number of Beds	10	10	10	10	76
Rental Housing Units	336	336	336	336	338
Square footage (in thousands)	493	425	425	425	432
Commercial Rentals	6	9	9	10	14
Square footage (in thousands)	41	35	35	56	119
Dining Facilities*	2	2	2	2	2
Square footage (in thousands)	15	15	15	15	15
Athletic Facilities (sum of below)	5	5	5	5	5
Square footage(in thousands)	99	80	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	8	8	8	8
Square footage (in thousands)	130	163	163	163	163
<b>Transportation (Total)</b>	<b>136</b>	<b>120</b>	<b>117</b>	<b>112</b>	<b>109</b>
Cars	33	29	26	26	28
Semi Trucks / Heavy Trucks (Instructional)	21	17	19	19	18
Light Trucks/Vans (includes Instructional)	70	68	66	61	58
Buses (Instructional)	8	4	4	4	3
Motorcycles (Instructional)	4	2	2	2	2

\* May be within other buildings