



**Comprehensive Annual Financial Report  
for the fiscal year ended August 31, 2011**

**Austin Community College District  
Texas**

Austin Community College District  
Austin, Texas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Fiscal Years Ended August 31, 2011 and 2010

Prepared by  
Business Services  
Austin Community College District

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# Introductory Section

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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Austin, Texas**

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Austin, Texas**

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**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**BOARD OF TRUSTEES AND KEY OFFICERS**  
**August 31, 2011**

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**BOARD OF TRUSTEES**

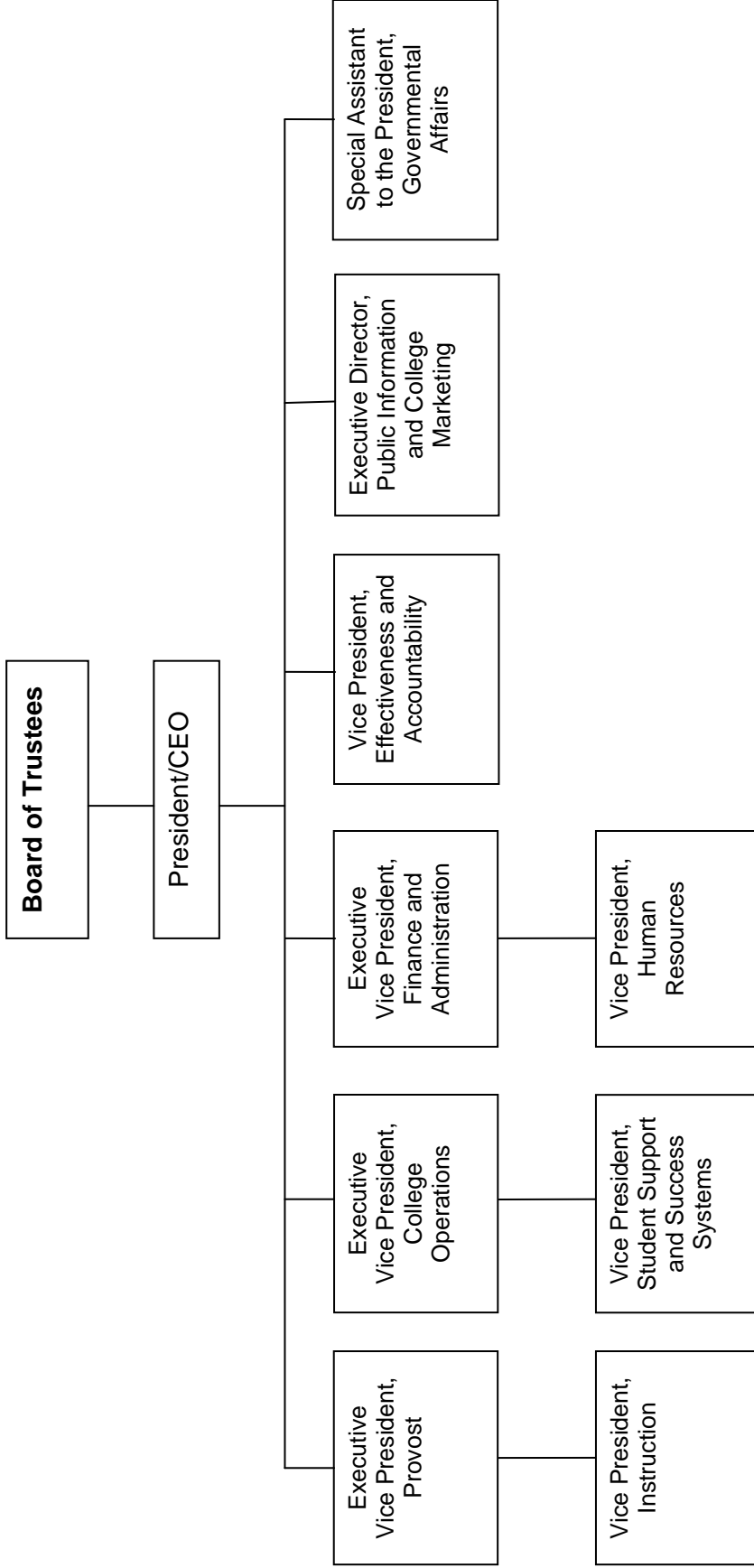
<b><u>Place #</u></b>	<b><u>Members</u></b>	<b><u>Term Expires</u></b>
1	Mr. Tim Mahoney	November 30, 2014
2	Mr. John Michael-Cortez, Secretary	November 30, 2014
3	Ms. Nan McRaven,	November 30, 2014
4	Mr. Jeffrey Richard, Vice Chair	November 30, 2016
5	Dr. Victor Villarreal	November 30, 2016
6	Ms. Guadalupe Sosa	November 30, 2016
7	Dr. Barbara Mink, Chair	November 30, 2012
8	Dr. James McGuffee	November 30, 2012
9	Mr. Allen Kaplan	November 30, 2012

**KEY OFFICERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
Dr. Richard Rhodes, CPA	President/CEO
Mr. Ben Ferrell, CPA	Executive Vice President, Finance and Administration
Dr. Mary Hensley	Executive Vice President, College Operations
Vacant	Executive Vice President, Provost
Ms. Gerry Tucker	Vice President, Human Resources
Dr. Kathleen Christensen	Vice President, Student Support and Success Systems
Mr. Mike Midgley, CPA	Vice President, Instruction
Ms. Soon Merz	Vice President, Effectiveness and Accountability
Ms. Brette Lea	Executive Director, Public Information and College Marketing
Ms. Linda Young	Special Assistant to the President, Governmental Affairs

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**ORGANIZATIONAL CHART**  
August 31, 2011



December 12, 2011

Honorable Chairman, Board of Trustees, and President  
The Citizens of the Austin Community College District

Dear Board Members and President:

The following comprehensive annual financial report of the Austin Community College District (“the College”) for the fiscal year ended August 31, 2011, is hereby submitted. Responsibility for the preparation and integrity of the financial information, and the completeness and fairness of the presentation, including all disclosures, rests with the College. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The Notes to the Basic Financial Statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the College and other necessary disclosures of important matters relating to the financial position of the College. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

The College is reported as a special purpose government engaged solely in business type activity (BTA). In accordance with GASB Statements 34 and 35, this presentation of financial reporting combines all fund groups into a single column, and resembles the format of the corporate presentation, thus facilitating comparison.

To the best of our knowledge, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College’s financial activities have been included.

The College is required to undergo an annual federal single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and an annual state single audit in conformity with the Texas Governor’s Office of Budget and Planning *Uniform Grant Management Standards Single Audit Circular*. Information related to these Single Audits, including the schedule of expenditures of federal awards, schedule of expenditures of state awards, and auditor’s reports on compliance and on internal controls are included in the federal and state single audit sections of this report.

## **Governmental Structure**

The Austin Community College District was established as a public community college in December 1972, and began operations in September 1973. The College operates as a community college district under the Constitution Texas Education Code. The College is governed by an elected nine-member, Board of Trustees (“the Board”). At each election, three Trustees are elected to serve in a six-year, at-large position. The Board holds regularly scheduled meetings on the first Monday of each month, unless otherwise announced. Board meetings are held in the Boardroom at the College’s administrative office building (Highland Business Center), unless otherwise provided in the notice of a meeting.

The Board has the final authority to determine and interpret the policies that govern the College and has oversight responsibility of the College’s activities limited only by the state legislature, the courts, and the will of the people as expressed in Board of Trustee elections. Official Board action is taken only in meetings that comply with the Open Meetings Act.

In general, the Board provides policy direction and sets goals for the College consistent with the College’s role and mission. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, ordering elections, and issuing bonds. The Board is also responsible for appointing the President, setting the tax rate, and adopting the budget for the ensuing fiscal year.

## **Mission and Values**

Austin Community College District is dedicated to providing quality education that exceeds the expectations of its service area as defined by Texas Education Code 130.166. This service area includes all of Hays, Gillespie, Caldwell, and Blanco counties, most of Travis and Bastrop counties, and part of Williamson, Gonzales, Guadalupe, Lee, and Fayette counties.

The vision statement is as follows:

*The Austin Community College District will be recognized as the preferred gateway to higher education and training and as the catalyst for social equity, economic development, and personal enrichment.*

Furthermore, these are the core values that guide the Austin Community College District’s internal and external interactions with each other and our community:

- **C - Communication:** ACC values open, responsible exchange of ideas;
- **A - Access:** ACC values an open door to educational potential.
- **R - Responsiveness:** ACC values targeted actions to address Service Area and internal needs within available resources.
- **E - Excellence:** ACC values commitment to integrity and exemplary standards.
- **S - Stewardship:** ACC values personal and professional ownership that generates accountability.

## ***Economic Condition and Outlook***

The College's service area is located in Central Texas, about 150 miles inland from the Gulf of Mexico. According to the US Census Bureau, the population in 2010 of the Austin-Round Rock-San Marcos MSA was 1,712,647, an increase of 37% since 2000. Growth in these counties is expected to continue at this rate or faster in the future. Austin is the state capital, and consequently 16% of its workforce is employed with state and local government agencies. The remainder of the counties' economic base consists of manufacturing, computer technology, and trade and service industries.

The Austin-Round Rock-San Marcos MSA continues to outpace the national averages in economic indicators. According to the Texas Workforce Commission, the Austin-Round Rock MSA civilian workforce had increased 0.5% from 917,235 in 2010 to 921,775 in 2011. The unemployment rate in 2011 was 7.4%, which is lower than the statewide unemployment rate of 8.4%, and significantly lower than the national unemployment rate of 9.1%. According to the 2000 census, residents of the Austin-Round Rock MSA are typically well educated, with 40.6% of the workforce population over 25 possessing a bachelor's degree or higher.

During the past five years, the College experienced significant improvements in its financial condition, increasing its unrestricted net assets from \$8.8 million to \$24.4 million over that time. This is due to a commitment from the Board and administration to sound financial planning and budget performance. The College has increased its use of long-term planning and financial forecasting which has improved the decision making process. At the same time, the College has benefited from a strong local economy, record enrollments, and favorable annexations. This strengthened financial position will allow the College to weather the current economic downturn with minimal impact on College operations.

State funding continues to be a concern. The State reduced the 2010-2011 appropriations by 7.5% mid-year. Additionally, there was a 10% reduction for the 2012-2013 biennium. The current funding rate is significantly less per contact hour than the College was receiving in 2000. The State continues to deal with a deficit budget, so the future of State funding continues to be a concern. The College is committed to the legislative process, and will continue to work with State leaders to inform them of the crucial role of community colleges for the State's economic and social well-being. At the same time, the College has taken significant steps to mitigate the impact of state appropriations on the College's fiscal stability.

## ***Financial Planning and Budgeting***

The College's financial planning is comprised of three planning processes:

- Long-Term Facilities Plan
- Three Year Master Plan
- Annual Budget, including 10 year projections

The College recently developed a regional facilities master plan designed specifically to address the College's *Closing the Gaps* target, which calls for an additional 20,000 students by the year 2025. The plan includes six recommendations for meeting this demand, all of which were adopted by the Board:

- 1) Approve land acquisition for a campus in Round Rock;
- 2) Hire an A/E firm to begin the design of a campus in Round Rock;
- 3) Reaffirm master plan recommendation for a campus in San Marcos;
- 4) Form a Public Facilities Corporation (PFC) to finance new campuses;
- 5) Pursue land donations and/or purchases in strategic areas with future growth potential;
- 6) Develop individual master plans for expansion and renovations at existing campuses.

In general, the College has completed all of the above recommendations, including item 6 which is the development of individual campus master plans for all of the existing campuses. These campus master plans address the potential expansions and needed renovations at each campus in order to meet the future enrollment projections.

The recommendations, along with the major instructional and operational initiatives, are incorporated into a three year master plan, which is driven by strategic goals developed by the President and approved by the Board. This is a rolling three year plan that is updated annually prior to the annual budget cycle. This master plan identifies the initiatives that the College will focus on for the next three years, and therefore drive the annual budget decisions.

The annual budget is developed with a bottom-up approach with the approved master plan serving as a guide. During the budget development cycle, departments are asked to identify the funds needed in their departmental budgets in order to accomplish the goals laid out in the master plan. After this information is collected from the departments, it is compiled into a proposed college-wide budget. The budget is then presented to the Board, including budget projections for the next 10 years. These projections incorporate the proposed new initiatives and other operating increases in order to demonstrate the long-term impact of the current year funding decisions. It also projects future tuition rate increases.

The combined use of these three planning devices allows the College to develop funding strategies to meet the future expenditure needs, and maintain a strong financial balance. Due to the College's commitment to planning, in the last four years the College has met the demands of record enrollment increases, increased programs and service available to students, and all while increasing its net assets each year.

### ***Major Initiatives***

The College has devoted significant time and effort in planning for the future. During 2011 the College continued to make progress with its current facilities master plan in order to provide space for twenty thousand additional students by 2025 to meet the State's *Closing the Gaps* initiative of increasing participation in higher education. The College has clearly emerged as the regional leader in the *Closing the Gaps* effort to promote economic development through an educated workforce. Unique and innovative programs such as the *College Connection*, which automatically admits area graduating high school seniors to the College, helped increase enrollment, particularly among traditionally under-represented students. *College Connection* has received national recognition and is being emulated by other community colleges in Texas and other states.

Other major initiatives that highlighted 2011 include:

- Welcomed the citizens of Elgin ISD and Hays CISD into the ACC taxing district with a successful annexation election in November 2010. These annexations will allow for the construction of new campuses in each of these communities.

- The College welcomed the residents of Round Rock ISD which joined the College's taxing district with a successful annexation election in May 2008 with the first full year of operations of the new Round Rock Campus which opened at full capacity.
- First year of operation for the new Rio Grande Campus Gymnasium Adaptive Reuse in Summer 2010 which provides more than 38,000 square feet of classrooms and faculty offices for the College's downtown campus.
- Continued significant progress in the pursuit of strategic land acquisitions.
- Successfully acquired a significant portion of Highland Mall providing over 600,000 sqft of space which provides great expansion opportunities.

The College is moving ahead with significant plans for expansion thanks to its community support, and expects to maintain its role as a major source of post-secondary education and economic development in the Central Texas region. For 2012, the College plans to further develop its strategic academic and facilities planning for the region, which will include vigorously pursuing expansion of its taxing district through annexation.

### ***Independent Audit***

State statutes require an annual audit by independent certified public accountants. The College's Board of Trustees selected the accounting firm of Grant Thornton LLP. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the state single audit related to the Uniform Grant Management Standards Single Audit Circular. The auditor's reports related specifically to the Single Audits are included in the Single Audit Sections.

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Austin Community College District for its comprehensive annual financial report for the fiscal year ended August 31, 2010. This was the eighth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**

We are grateful to the Board of Trustees for its interest in planning and oversight of the financial operations of the College. We especially want to acknowledge the staff of Business Services for their hard work and dedicated service, for we could not have accomplished the preparation of this report without their diligent efforts. We would also like to thank the accounting firm of Grant Thornton LLP for their assistance with the audit.

Respectively submitted,



Ben Ferrell, C.P.A.  
Executive Vice President,  
Finance & Administration



Neil Vickers, C.P.A.  
Associate Vice President,  
Finance & Budget



# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Austin Community College District  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

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# Financial Section



## Report of Independent Certified Public Accountants

Audit • Tax • Advisory

**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
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Board of Trustees  
Austin Community College District

We have audited the accompanying basic financial statements of the Austin Community College District (the "District") as of and for the year ended August 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of ACC Foundation, Inc., which represents the discretely presented component unit of the College. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 audit and the report of other auditors provide a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

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The management's discussion and analysis on pages 3 through 15 and the Schedule of Funding Progress on page 67 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying introductory section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis 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 also not a required part of the basic financial statements. The supplemental schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, net assets by source and availability, and schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GRANT THORNTON LLP

Dallas, Texas  
December 8, 2011

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



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

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**Financial Statement Analysis and Overview**

The following discussion and analysis of the Austin Community College District's ("the College") annual financial statements provides an overview of the College's financial activities for the years ended August 31, 2011 (Fiscal Year 2011), 2010 (Fiscal Year 2010), and 2009 (Fiscal Year 2009), and identifies changes in its financial position for these years. In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions that have an impact on the financial activities of the College, and is intended to assist the reader in the interpretation of the financial statements. The financial statements should be read in conjunction with the Notes to the Basic Financial Statements.

The financial statements are prepared in accordance with the GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Three primary statements are required: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

Financial statements for the College's discrete component unit, Austin Community College Foundation ("the Foundation"), are issued independent of the College. The Foundation's financial information for fiscal years 2011 and 2010 is shown on separate pages behind the College's basic financial statements. Refer to Notes 1 and 25 in the Notes to the Basic Financial Statements for more detail on the Foundation.

The College formed the Austin Community College District Public Facility Corporation ("the PFC"), which was incorporated on December 21, 2007 as a non-profit corporation formed under the Texas Public Facility Corporation Act. The PFC was formed for the purpose of assisting the College in financing, refinancing, providing, or otherwise assisting in the acquisition of public facilities. The PFC is reported as a blended component unit in the financial statements of the College, and therefore its activities are blended with the activities of the College. Refer to Note 1 in the Notes to the Basic Financial Statements for more detail on the PFC.

The following summary and management discussion and analysis of the results is intended to provide readers with an overview of the basic financial statements.

Some of the financial highlights of fiscal year 2011 are as follows:

- Assets of the College exceeded liabilities at the close of the fiscal year ending on August 31, 2011 by \$92.0 million. Of this amount, \$24.4 million (unrestricted net assets) may be used to meet the College's ongoing obligations.
- During fiscal year 2011, the College successfully annexed the properties in Elgin ISD and Hays Consolidated ISD. Due to these areas becoming eligible for lower in-district tuition rates immediately upon annexation, there was a negative impact on tuition revenue in 2011. However, in fiscal year 2012 the College will begin collecting ad valorem taxes from these properties which will exceed the reduction in tuition revenue.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

*Statement of Net Assets*

The Statement of Net Assets includes assets and liabilities, both current and non-current, and the change in net assets as of the end of the fiscal year. Current assets are those assets that are available to satisfy current liabilities, or liabilities that are due within one year. Non-current assets include capital assets, long-term investments, and other assets not classified as current. Non-current liabilities include bonds payable and other long-term commitments. Net Assets is the difference between total assets and total liabilities. It is one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention and other non-financial information. Finally, the Statement of Net Assets is useful in determining the assets available to continue operations as well as how much the College owes to vendors, bondholders, and other entities at the end of the year.

Additional detail regarding basis of accounting and major categories of net assets can be found in Note 2 in the Notes to the Basic Financial Statements.

**CONDENSED FINANCIAL INFORMATION**

**Condensed Statement of Net Assets**  
(in Millions)

	<u>August 31</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to</u> <u>2011</u>	<u>2009 to</u> <u>2010</u>
<b>Assets</b>					
Current Assets	\$ 85.7	\$104.6	\$ 91.9	\$ (18.9)	\$ 12.7
Capital Assets, Net of Accumulated Depreciation	376.5	325.4	231.1	51.1	94.3
Other Noncurrent Assets	68.6	33.6	99.2	35.0	(65.6)
Total Assets	<u>530.8</u>	<u>463.6</u>	<u>422.2</u>	<u>67.2</u>	<u>41.4</u>
<b>Liabilities</b>					
Current Liabilities	68.2	75.3	67.0	(7.1)	8.3
Noncurrent Liabilities	370.6	291.1	265.2	79.5	25.9
Total Liabilities	<u>438.8</u>	<u>366.4</u>	<u>332.2</u>	<u>72.4</u>	<u>34.2</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	49.3	53.6	54.1	(4.3)	(0.5)
Restricted: Expendable	18.3	17.5	15.2	0.8	2.3
Unrestricted	24.4	26.1	20.7	(1.7)	5.4
Total Net Assets	<u>\$ 92.0</u>	<u>\$ 97.2</u>	<u>\$ 90.0</u>	<u>\$ (5.2)</u>	<u>\$ 7.2</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

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Total Assets increased from 2010 to 2011 by \$67.2 million. The increase was due to various real estate acquisitions, along with construction activity at the Elgin Campus. Since all of these activities were funded with bonds, the increase in assets is offset by an increase in liabilities. Unrestricted cash and investments were basically unchanged. Since 2009, the College has increased its total assets before considering liabilities by \$108.6 million, most of which is related to real estate acquisitions and facility construction. \$10.2 million of the asset increase since 2009 is in unrestricted cash, investments and accounts receivable, and therefore is due to strong performance of the operating budget over the last 2 years.

Total Liabilities increased from 2010 to 2011 by \$72.4 million. All of the increase was in bonds payable resulting from \$86.0 million bond issue during 2011. This increase in bonds payable was partly offset by a decrease in accounts payable of \$10.2 million and a decrease in accrued liabilities of \$3.2 million. Bonds and capital lease payables, other than the new issuance above, decreased by \$6.5 million due to principal payments made during the year.

The College's net assets (assets less liabilities) decreased by \$5.2 million from the previous year. Specifically, net assets were \$92.0 in 2011, \$97.2 million in 2010, and \$90.0 million in 2009. The decrease is attributable to a \$3.2 million increase in depreciation, a mid-year reduction in state appropriations of \$2.1 million and a \$1.7 million reduction in tuition revenue due to the successful annexation of Elgin ISD and Hays CISD. The increase in depreciation expense is attributed to the completion and opening of the Round Rock Campus. This campus is by far the College's largest and most costly to date, and therefore it had a significant impact on depreciation expense. While the College's original budget included capital purchases that would have offset the impact of depreciation on net assets, the mid-year cuts in state appropriations forced the College to delay most of the capital expenditures included in the operating budget. Delaying the capital expenditures allowed the College to preserve cash and therefore maintain liquidity levels. Preserving cash was a priority for the College, but the reduction to the capital budget prevented the College from investing enough in new capital assets to offset the impact of depreciation on those assets, thus resulting in a decrease in net assets. Additionally, the College's tuition revenue was \$1.7 million less than budgeted due to the successful annexation of Elgin and Hays ISDs. While these annexations are very positive for the College and will generate positive cash flows in the future, there is a timing difference between the reduction in tuition revenue and the increase in property tax revenue. Since the annexation occurred mid-year 2011, the residents of those territories became eligible for the reduced in-district tuition rate immediately which was for the Spring 2011 semester. However, because property taxes are paid in arrears, the tax collections will not begin until the College's fiscal year 2012. This timing difference resulted in a loss of tuition revenue of about \$1.7 million during the current year. Since the future tax revenues will exceed the reduced tuition revenues, this impact will be reversed in 2012 and all future years thereafter. In 2010 and 2009, net assets increased by \$7.2 million and \$6.0 million, respectively. A more detailed discussion follows in the Statement of Revenues, Expenses, and Changes in Net Assets section.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

*Statement of Revenues, Expenses, and Changes in Net Assets*

The Statement of Revenues, Expenses and Changes in Net Assets presents the College's overall results of operations. The statement is divided into Operating Revenues, Operating Expenses, and Non-Operating Revenues and Expenses. The College is primarily dependent upon three sources of revenue: state appropriations; tuition and fees; and property taxes. Since state appropriations and property taxes are classified as Non-operating Revenues (per the GASB requirement), Texas community colleges will generally display an operating deficit before taking into account other support. Therefore, total revenues and total expenses should be considered in assessing the change in the College's financial position.

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**  
(in Millions)

	<u>Fiscal Year</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to</u> <u>2011</u>	<u>2009 to</u> <u>2010</u>
<b>Operating Revenues</b>					
Tuition and Fees	\$ 52.7	\$ 50.5	\$ 47.8	\$ 2.2	\$ 2.7
Grants and Contracts	13.5	12.2	8.0	1.3	4.2
Auxiliary Enterprises	1.2	1.1	1.0	0.1	0.1
Other Operating Revenues	7.8	7.6	5.6	0.2	2.0
Total Operating Revenues	<u>75.2</u>	<u>71.4</u>	<u>62.4</u>	<u>3.8</u>	<u>9.0</u>
<b>Operating Expenses</b>	<u>275.5</u>	<u>262.4</u>	<u>218.1</u>	<u>13.1</u>	<u>44.3</u>
Operating Loss	(200.3)	(191.0)	(155.7)	(9.3)	(35.3)
<b>Non-Operating Revenues (Expenses)</b>					
State Appropriations	59.1	59.1	56.0	-	3.1
Ad Valorem Taxes	100.8	104.5	88.9	(3.7)	15.6
Federal Revenue, Non Operating	48.8	40.3	22.8	8.5	17.5
Investment Income	0.4	1.3	0.5	(0.9)	0.8
Interest on Capital-Related Debt	(13.9)	(7.0)	(6.6)	(6.9)	(0.4)
Other Non-Operating Revenue (Expense)	(0.1)	-	0.1	(0.1)	(0.1)
Net Non-Operating Revenues	<u>195.1</u>	<u>198.2</u>	<u>161.7</u>	<u>(3.1)</u>	<u>36.5</u>
Increase (Decrease) in Net Assets	(5.2)	7.2	6.0	(12.4)	1.2
<b>Net Assets</b>					
Net Assets, Beginning of Year	97.2	90.0	84.0	7.2	6.0
Net Assets, End of Year	<u>\$ 92.0</u>	<u>\$ 97.2</u>	<u>\$ 90.0</u>	<u>\$ (5.2)</u>	<u>\$ 7.2</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

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Key Factors impacting total revenues:

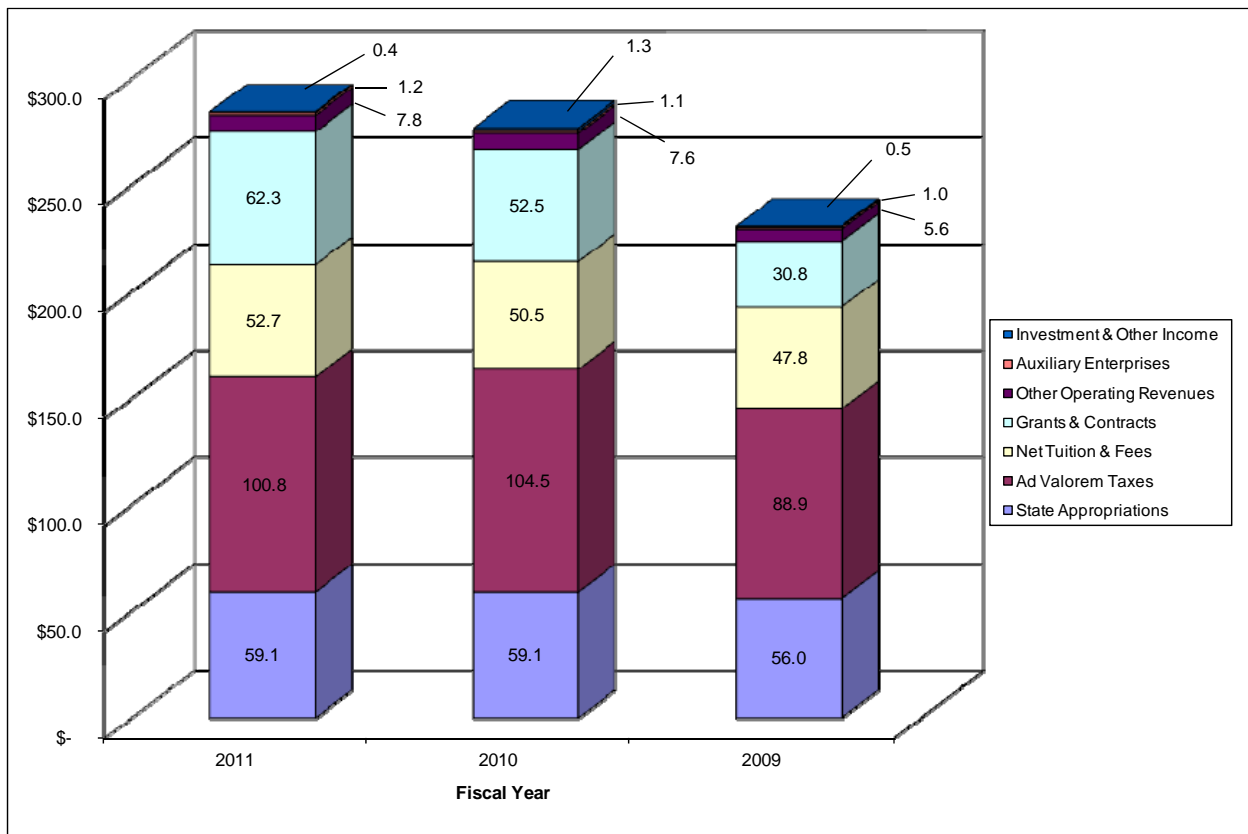
- State appropriations, which are categorized as non-operating revenues, were unchanged from fiscal year 2010 at \$59.1 million. The College's appropriation for 2011 and 2010 were reduced by 7.5% and 5%, respectively, from the amounts that were originally approved in the State's General Appropriation Act for the 2010-2011 biennium. State appropriations accounted for 20.8% of total revenue in 2011, compared to 21.4% of total revenue in 2010, and 24.2% in 2009.
- Tuition and Fees, net of discounts, were up \$2.2 million in 2011. However, discounts were up by \$7.1 million. Therefore, gross tuition & fee revenues increased by \$9.3 million as a result of a 6% enrollment increase, plus tuition rate increases of \$3 per credit hour for all students and an additional \$10 per credit hour for out-of-district students. Tuition and Fees accounted for 18.6% of total revenue in the current year, compared to 18.3% in 2010 and 20.7% in 2009.
- Grants and Contracts revenue increased primarily as a result of increased funding for student Pell grants.
- Other Operating Revenue, which includes interest income, continuing education programs, miscellaneous fees, property rental, and testing fees, totaled \$7.8 million in 2011, \$7.6 million in 2010, and \$5.6 million in 2009. The increase in 2011 is due to increases in enrollments.
- Property taxes, which are categorized as non-operating revenues, decreased by \$3.7 million in 2011, increased by \$15.6 million in 2010, and increased by \$8.3 million in 2009. Specifically, the College recognized \$100.8 million of property tax revenue in 2011, \$104.5 million in 2010, and \$88.9 million in 2009. The decrease in 2011 was due to reductions in appraised values throughout the central Texas region. The drop in values is attributed to the slow national economy, however the value decreases in central Texas have been modest compared to the national average. Commercial properties suffered the largest decreases in value, while residential values decreased only slightly. The net decrease to the total tax base was about 4%. In 2010 and 2009, the increase in property tax revenue is attributed to increases in appraised property values and new construction driven by a strong Austin economy. In 2010, there was an additional increase as a consequence of the May 2008 special election in which the voters approved the annexation of the portions of the Round Rock Independent School District that were not already in the College's taxing district. This annexation added about \$13 billion in taxable property values, which generated an additional \$12 million in property tax revenues for 2010. Property taxes in 2011 were 35.4% of total revenues compared to 37.8% in 2010 and 38.5% in 2009. See graphical illustration on next page.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Total Revenue by Source**  
(in Millions)

	<u>Fiscal Year</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to 2011</u>	<u>2009 to 2010</u>
<b>Revenue Sources:</b>					
State Appropriations	\$ 59.1	\$ 59.1	\$ 56.0	\$ -	\$ 3.1
Ad Valorem Taxes	100.8	104.5	88.9	(3.7)	15.6
Net Tuition & Fees	52.7	50.5	47.8	2.2	2.7
Grants & Contracts	62.3	52.5	30.8	9.8	21.7
Other Operating Revenues	7.8	7.6	5.6	0.2	2.0
Auxiliary Enterprises	1.2	1.1	1.0	0.1	0.1
Investment & Other Income	0.4	1.3	0.5	(0.9)	0.8
<b>Total Revenue</b>	<b><u>\$ 284.3</u></b>	<b><u>\$ 276.6</u></b>	<b><u>\$ 230.6</u></b>	<b><u>\$ 7.7</u></b>	<b><u>\$ 46.0</u></b>

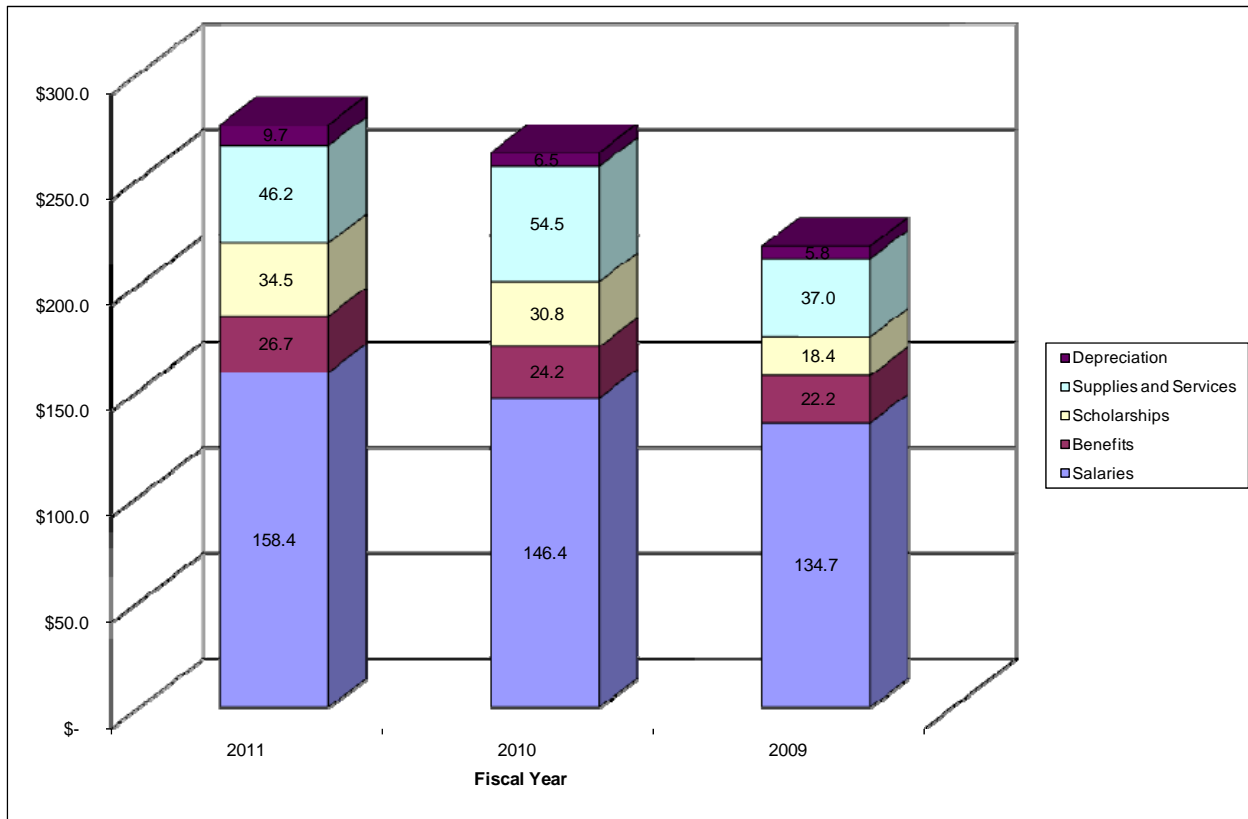


**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

**Operating Expenses - Natural Classification**  
(in Millions)

	<u>Fiscal Year</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to 2011</u>	<u>2009 to 2010</u>
<b>Operating Expenses:</b>					
Salaries	\$ 158.4	\$ 146.4	\$ 134.7	\$ 12.0	\$ 11.7
Benefits	26.7	24.2	22.2	2.5	2.0
Scholarships	34.5	30.8	18.4	3.7	12.4
Supplies and Services	46.2	54.5	37.0	(8.3)	17.5
Depreciation	9.7	6.5	5.8	3.2	0.7
<b>Total Operating Expenses</b>	<b>\$ 275.5</b>	<b>\$ 262.4</b>	<b>\$ 218.1</b>	<b>\$ 13.1</b>	<b>\$ 44.3</b>



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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Factors impacting operating expenses by natural classification include the following:

- Salary expense in 2011 increased by \$12.0 million, an 8.2% increase over 2010. There was a \$5.6 million increase in Faculty salaries due to a 6% enrollment increase, and \$6.4 million for newly created positions mostly related to staffing at the new Round Rock campus which opened in the Fall of 2010. Salary expense in 2010 increased by \$11.7 million, a 8.7% increase over 2009. The increase was a result of employee salary increases of approximately \$2.9 million, a \$5.3 million increase in Faculty salaries due to a 12% enrollment growth, and \$3.6 million for newly created positions. The new positions were mainly in the areas of direct student support due to enrollment increases.
- Other operating expenses decreased by \$8.3 million in 2011 and increased by \$17.5 million in 2010. The decrease in 2011 is due to the unusual increase in 2010. In 2010, the majority of the increase was due to one-time startup costs related to the new Round Rock Campus. For both years, there were increases due to the support for higher enrollments.
- Depreciation expense increased in 2011 by \$3.2 million primarily due to the opening of the new Round Rock Campus and the new Building 3000 at the Rio Grande Campus. Depreciation expense increased in 2010 by \$0.7 million primarily due to addition of a parking garage at the Rio Grande Campus and addition of capital IT equipment.
- Total scholarship costs for 2011 were \$34.5 million compared to \$30.8 million in 2010 and \$18.4 million in 2009. These increases are due to higher enrollments which increase the number of Federal Title IV awards. The increase in all three years is attributed to record enrollment increases, with a particularly large increase in financial aid students.

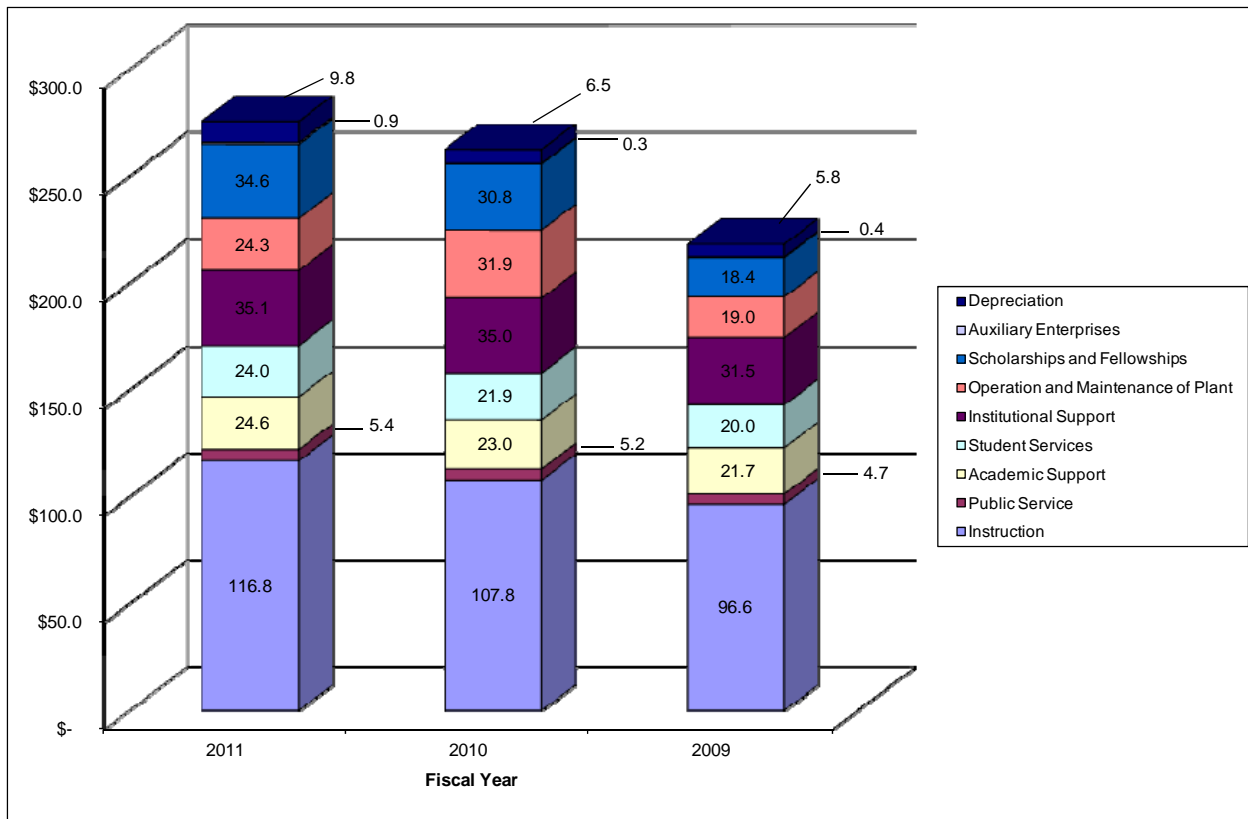


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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Operating Expenses - Functional Classification**  
(in Millions)

	<u>Fiscal Year</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to</u> <u>2011</u>	<u>2009 to</u> <u>2010</u>
<b>Operating Expenses:</b>					
Instruction	\$ 116.8	\$ 107.8	\$ 96.6	\$ 9.0	\$ 11.2
Public Service	5.4	5.2	4.7	0.2	0.5
Academic Support	24.6	23.0	21.7	1.6	1.3
Student Services	24.0	21.9	20.0	2.1	1.9
Institutional Support	35.1	35.0	31.5	0.1	3.5
Operation and Maintenance of Plant	24.3	31.9	19.0	(7.6)	12.9
Scholarships and Fellowships	34.6	30.8	18.4	3.8	12.4
Auxiliary Enterprises	0.9	0.3	0.4	0.6	(0.1)
Depreciation	9.8	6.5	5.8	3.3	0.7
<b>Total Operating Expenses</b>	<b><u>\$ 275.5</u></b>	<b><u>\$ 262.4</u></b>	<b><u>\$ 218.1</u></b>	<b><u>\$ 13.1</u></b>	<b><u>\$ 44.3</u></b>



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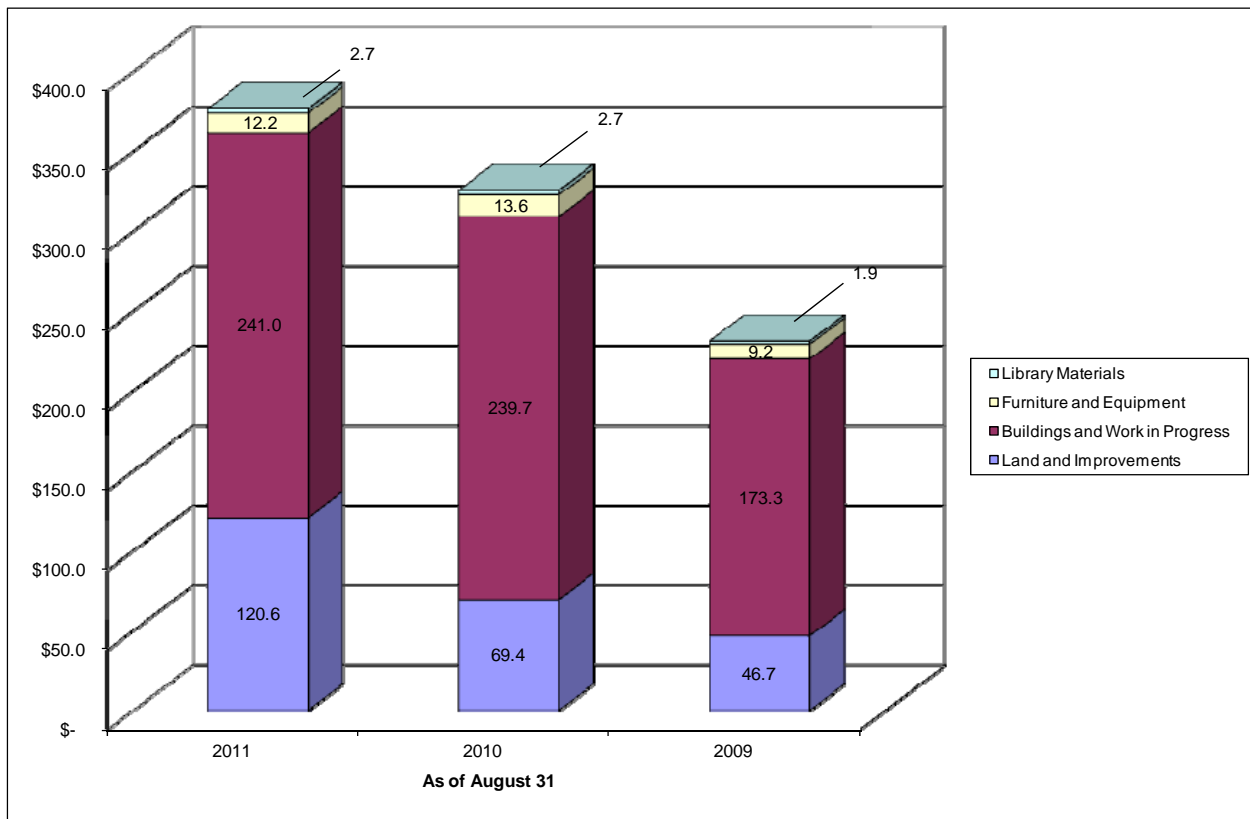
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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All of the functions, except Operations and Maintenance of Plant, increased in 2011. The increases were fairly consistent and proportional for the different functions. The increases were primarily due to increases in salaries and staffing for growing enrollments. The decrease in Operations and Maintenance of Plant is due to the unusual increase in 2010. In 2010, the increase was due to one-time startup costs related to the new Round Rock Campus.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets, Net, at Year End**  
(in Millions)

	<u>August 31</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to</u>	<u>2009 to</u>
				<u>2011</u>	<u>2010</u>
<b>Capital Assets:</b>					
Land and Improvements	\$ 120.6	\$ 69.4	\$ 46.7	\$ 51.2	\$ 22.7
Buildings and Work in Progress	241.0	239.7	173.3	1.3	66.4
Furniture and Equipment	12.2	13.6	9.2	(1.4)	4.4
Library Materials	2.7	2.7	1.9	-	0.8
<b>Total Capital Assets</b>	<b><u>\$ 376.5</u></b>	<b><u>\$ 325.4</u></b>	<b><u>\$ 231.1</u></b>	<b><u>\$ 51.1</u></b>	<b><u>\$ 94.3</u></b>



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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The College had \$376.5 million, \$325.4 million, and \$231.1 million invested in capital assets, net of accumulated depreciation, at August 31, 2011, 2010, and 2009, respectively. The amount of accumulated depreciation was \$63.5 million, \$54.2 million and \$48.3 million for fiscal years 2011, 2010, and 2009, respectively. Depreciation charges totaled \$9.8 million, \$6.5 million and \$5.8 for fiscal years 2011, 2010, and 2009, respectively.

Changes in net capital assets are the result of acquisitions, improvements, deletions, and changes in accumulated depreciation. During 2011, the College completed construction of a new parking lot at the Pinnacle campus (\$2.7 million). Additionally, the College completed land acquisitions in Elgin and Hays ISDs related to the successful annexation elections in those areas (\$13.2 million). Finally, the College made additional acquisition at the Highland Mall site (\$36.5 million). During 2010, the College completed construction of the new Round Rock Campus (\$89.4 million) and a new building (Building 3000) at the Rio Grande Campus (\$11.3 million). Additionally, the College completed three property acquisitions for future expansion (\$19.2 million). During 2009, the College completed three land acquisitions for future expansion (\$13.0 million), completed the new Rio Grande Parking Garage (\$14.8 million), continued the renovation of the Rio Grande Gymnasium (\$2.5 million), and continued the construction of the new Round Rock Campus (\$29.2 million).

In accordance with GASB Statements No. 34 and 35, the College does not record the cost of its capital assets as an expense at the time of acquisition/completion of the asset, but rather shows the expense systematically over the expected life of the asset as depreciation expense. The amount shown in the accounting records for the value of the asset will decrease each year until the asset is fully depreciated or removed from service. As a result, the amount of capital assets shown in the Statement of Net Assets may decrease from one year to another even though new assets have been acquired during the year. Capital assets subject to depreciation include improvements to land (such as parking lots and signage), buildings, equipment, and library books. Land is not depreciated.

More detailed information about the College's capital assets is presented in Note 6 of the Basic Financial Statements.

***Debt Administration***

At August 31, 2011 the College had approximately \$373.9 million in outstanding debt, compared to \$294.2 million in 2010 and \$267.5 million in 2009. The increase in 2011 is the result of a \$33.5 million PFC lease revenue bond issuance related to the Elgin ISD annexation election and future campus there. Additionally, \$10.0 million in combined fee revenue bonds was issued related to the Hays ISD annexation election and the land acquisition there. Finally, the College issued \$42.5 million in combined fee revenue bonds related to additional acquisitions at the Highland mall site. These increases were offset by \$6.5 million in reduction due to regularly scheduled principal payments. The increase in 2010 is the result of a \$31.5 million combined fee revenue bond issue. This increase is offset by \$4.8 million in reductions due to principal payments.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Outstanding Debt at Year End**  
(in Millions)

	<u>August 31</u>			<u>Change</u>	
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2010 to 2011</u>	<u>2009 to 2010</u>
<b>Outstanding Debt:</b>					
Revenue Bonds	\$ 125.8	\$ 76.3	\$ 47.0	\$ 49.5	\$ 29.3
General Obligation Bonds	95.2	96.4	97.3	(1.2)	(0.9)
Lease Revenue Bonds - PFC	152.4	120.4	121.7	32.0	(1.3)
Capital Leases	0.5	1.1	1.5	(0.6)	(0.4)
Total Outstanding Debt	<u>\$ 373.9</u>	<u>\$ 294.2</u>	<u>\$ 267.5</u>	<u>\$ 79.7</u>	<u>\$ 26.7</u>

In 2011, the College issued, via its public facilities corporation, Series 2010 Lease Revenue Bonds with a Par of \$33.5 million. These bonds will be used to acquire land and construct a campus in Elgin ISD. Also, the College issued the Series 2010 Combined Fee Revenue Refunding Bonds with a par of \$3.9 million. These bonds were used to refund the callable outstanding series 2002 bonds in order to achieve present value savings. The College also issued \$52.5 million for Series 2011, 2011A, and 2011B Combined Fee Revenue Bonds to be used for real estate acquisitions in Hays CISD and at the Highland mall site. In 2010, the College issued Combined Fee Revenue Building Bonds, Series 2009A with a par of \$31.5 million. These bonds will be primarily used to complete the strategic property acquisition goals of the College's master plan. Additionally, the College issued Combined Fee Revenue Refunding Bonds, Series 2009B which refunded certain portions of Series 1998 Bonds and Series 2000 Bonds. The present value refunding gain was \$0.4 million. The College did not issue any new debt in 2009.

The College's combined fee revenue bonds are special obligations of the College that are payable solely from, and will be equally and ratably secured by, an irrevocable first lien on pledged revenues. The pledged revenues include, but are not limited to: general fees; pledged tuition, and investment income derived from any and all funds of the College. General obligation bonds are payable from ad valorem taxes levied, within the limitation prescribed by law, against all property located within the College's taxing district. Payments are derived from taxes levied and collected on an annual basis in an amount sufficient to pay the principal and interest when due, full allowance made for delinquencies and collection costs. The PFC lease revenue bonds will be paid with the proceeds from the lease payments made by the College to the PFC at such times and in such amounts as will be required to timely pay the principal of, premium, and interest on the bonds. The obligation of the College to make lease payments is a current expense, payable solely from funds annually appropriated by the College for such use. Capital lease obligations are paid from any legally available operating source.

For 2011, the College's bond ratings, assigned by Moody's Investors Service and Standard and Poor's Rating Services, are "Aa2" and "AA+" for general obligation bonds, "A1" and "AA-" for combined fee revenue bonds, and "Aa3" and "AA" for lease revenue bonds, respectively. The Standard and Poor's ratings represent an upgrade in 2010 for the College's combined fee revenue bonds from A to AA-. The Standard and Poor's ratings represent an upgrade in 2008 for the College's general obligations bonds from AA to AA+. Standard & Poor's attributes the

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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upgrade to the College's historically positive operations, growing enrollment, diverse property tax base, and operating revenue diversity. Historically, the College has purchased financial guaranty insurance in order to get a higher rating on all the outstanding bond issues. However, due to recent upgrades in the College's bond ratings and other market conditions, the College has not purchased insurance on any bonds since 2006.

More detailed information about the College's long-term liabilities is presented in Notes 7, 8, and 9 of the Basic Financial Statements.

**Economic Factors That Will Affect the Future**

The economic position of the College is influenced in part by the economic position of the State of Texas and of the Austin-Round Rock-San Marcos MSA. State appropriations are expected to be approximately \$53.2 million for fiscal year 2012, in accordance with the funding awarded for the State's 2012-2013 biennium. This is 5.8 million less than the appropriation received in 2011 and 2010, and \$8.7 million less than the amount originally approved for the 2010-2011 biennium.

Tax revenues in 2012 are projected to increase by \$3.2 million or 4.0% to \$104.0 million from \$100.8 million in 2011, and \$104.5 million in 2010. The expected increase in 2012 is primarily due to the successful annexations of Elgin Independent School District and Hays Consolidated Independent School District. In November 2010, the voters of these areas held successful elections to enter the College's taxing district. The College will begin collecting property taxes from these areas in fiscal year 2012. These areas will add about \$4.5 billion in taxable property to the College, generating about \$4.0 million in new revenues. The decrease in 2011 property tax revenues is due to a decline in appraised values of about 4%, which is attributed to the national recession.

Tuition and fee revenue for 2012 is projected to be approximately \$73 million which is up considerably compared to \$52.7 million in 2011. Due to significant reductions in State funding, the College increased tuition rates significantly for 2012. The tuition rate was increased by \$15 per credit hour, plus there were significant increases to the Out-of-District Fee, which is the fee paid by those students that do not pay property taxes to the College.

These projected increases in revenue will be necessary to fund new or increased expenses in instructional and support functions as the College continues to achieve the State's *Closing the Gaps* initiative. The College's 2012 budget made significant progress towards stabilizing the College's financial position after a series of historic funding reductions from the State, however the College will continue to face challenges in the future to fund anticipated increases in demands for services provided by community colleges.

## **BASIC FINANCIAL STATEMENTS**

**Exhibit 1**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF NET ASSETS**  
**August 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 29,947,121	\$ 30,235,305
Restricted Cash & Cash Equivalents	10,946,442	19,022,663
Investments	12,501,266	25,008,986
Accounts Receivable (Net) (See Note 17)	22,330,224	19,268,601
Deferred Charges	9,148,578	10,558,726
Prepaid Expenses	822,066	531,963
Total Current Assets	85,695,697	104,626,244
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	11,089,742	15,861,635
Investments	12,508,253	-
Restricted Investments	40,153,426	13,813,200
Deferred Charges	4,840,620	3,914,686
Capital Assets (Net) (See Note 6)	376,526,172	325,421,841
Total Noncurrent Assets	445,118,213	359,011,362
Total Assets	530,813,910	463,637,606
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	5,735,299	15,967,116
Accrued Liabilities	5,977,542	9,184,274
Accrued Compensable Absences - Current Portion	2,683,420	2,693,286
Funds Held for Others	2,149,246	491,831
Deferred Revenues	44,362,483	40,478,249
Capital Leases - Current Portion	534,295	516,190
Bonds Payable - Current Portion	6,763,391	5,942,986
Total Current Liabilities	68,205,676	75,273,932
Noncurrent Liabilities:		
Accrued Compensable Absences	2,166,871	1,898,905
Deferred Revenues	609,583	704,583
OPEB Payable	1,241,605	860,798
Capital Leases	-	534,295
Bonds Payable	366,587,368	287,160,610
Total Noncurrent Liabilities	370,605,427	291,159,191
Total Liabilities	438,811,103	366,433,123

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

**Exhibit 1**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF NET ASSETS – (Continued)**  
**August 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	49,330,529	53,589,343
Restricted for:		
Expendable		
Scholarships	353,801	386,060
Departmental Activities	111,363	82,350
Loans	27,609	27,609
Debt Service	17,777,580	16,975,024
Unrestricted	24,401,925	26,144,097
Total Net Assets	\$ 92,002,807	\$ 97,204,483

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



**Exhibit 1A**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**STATEMENTS OF FINANCIAL POSITION OF ACC FOUNDATION**  
**(A Component Unit of Austin Community College District)**  
**May 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 749,104	\$ 585,590
Investments (Note C)	4,050,733	1,760,562
Accrued interest/dividends receivable	24,545	6,590
Promises to give (Note D)	239,976	62,299
Total assets	5,064,358	2,415,041
 <b>LIABILITIES AND NET ASSETS</b>		
 Liabilities	 -	 -
 Net assets		
Unrestricted	269,659	193,022
Temporarily restricted (Note G)	802,015	373,835
Permanently restricted (Note F)	3,992,684	1,848,184
Total net assets	5,064,358	2,415,041
Total liabilities and net assets	\$ 5,064,358	\$ 2,415,041

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

**Exhibit 2**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**For The Years Ended August 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES</b>		
Tuition and Fees (Net of Discounts of \$27,782,324 and \$20,623,395, Respectively)	\$ 52,739,591	\$ 50,540,086
Federal Grants and Contracts	7,850,298	7,243,206
State Grants and Contracts	4,214,920	3,499,335
Local Grants and Contracts	336,749	382,575
Non-Governmental Grants and Contracts	1,047,028	1,027,534
Sales and Services of Educational Activities	4,394,812	4,370,390
Auxiliary Enterprises	1,243,305	1,147,105
General Operating Revenues	3,441,312	3,220,214
Total Operating Revenues (Schedule A)	<u>75,268,015</u>	<u>71,430,445</u>
<b>OPERATING EXPENSES</b>		
Instruction	116,846,968	107,781,517
Public Service	5,445,969	5,164,981
Academic Support	24,572,271	23,052,422
Student Services	24,033,999	21,871,008
Institutional Support	35,079,981	35,052,239
Operation and Maintenance of Plant	24,335,986	31,883,327
Scholarships and Fellowships	34,550,434	30,784,822
Auxiliary Enterprises	938,515	331,265
Depreciation	9,749,746	6,531,221
Total Operating Expenses (Schedule B)	<u>275,553,869</u>	<u>262,452,802</u>
Operating Loss	(200,285,854)	(191,022,357)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations	59,097,142	59,133,878
Ad Valorem Taxes	100,785,060	104,503,979
Federal Revenue, Non Operating	48,823,118	40,321,844
Gifts	2,559	23,331
Investment Income	406,506	1,277,285
Interest on Capital Related Debt	(13,942,317)	(6,986,512)
(Losses) Gains on Disposal of Capital Assets	(87,890)	1,524
Net Non-Operating Revenues (Schedule C)	<u>195,084,178</u>	<u>198,275,329</u>
(Decrease) Increase in Net Assets	(5,201,676)	7,252,972
<b>NET ASSETS</b>		
Net Assets, Beginning of Year	<u>97,204,483</u>	<u>89,951,511</u>
Net Assets, End of Year	<u>\$ 92,002,807</u>	<u>\$ 97,204,483</u>

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

**Exhibit 2A**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**STATEMENTS OF ACTIVITIES OF ACC FOUNDATION**  
**(A Component Unit of Austin Community College District)**  
**For The Years Ended May 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Revenues		
Contributions	\$ 27,854	\$ 28,008
Interest and Dividend Income	12,141	954
Investment Gains	68,369	1,796
Net Assets Released from Restrictions	474,474	551,380
Total Unrestricted Revenues	582,838	582,138
Expenses		
Program Services	492,680	403,576
General and Administrative	11,021	10,737
Fundraising	2,500	-
Total Expenses	506,201	414,313
Increase in Unrestricted Net Assets	76,637	167,825
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:</b>		
Contributions	588,900	481,086
Interest and Dividend Income	62,450	52,474
Investment Gains	251,304	178,537
Net Assets Released from Restrictions	(474,474)	(551,380)
Increase in Temporarily Restricted Net Assets	428,180	160,717
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:</b>		
Contributions	2,144,500	168,595
Increase in Permanently Restricted Net Assets	2,144,500	168,595
Change in Net Assets	2,649,317	497,137
Net Assets, Beginning of Year	2,415,041	1,917,904
Net Assets, End of Year	\$ 5,064,358	\$ 2,415,041

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

**Exhibit 3**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF CASH FLOWS**  
**For The Years Ended August 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Students and Other Customers	\$ 55,294,387	\$ 52,381,061
Receipts from Grants and Contracts	13,817,647	15,659,902
Other Receipts	7,074,239	5,730,583
Payments to or On-Behalf of Employees	(171,122,632)	(157,816,877)
Payments to Suppliers for Goods and Services	(56,386,654)	(52,987,727)
Payments for Scholarships and Fellowships	(33,140,285)	(32,524,619)
Net Cash Used in Operating Activities	(184,463,298)	(169,557,677)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipts from Ad Valorem Taxes	100,790,115	104,059,866
Receipts from State Appropriations	45,838,953	46,174,618
Receipts from Title IV Federal Financial Aid Programs	48,823,118	40,321,844
Receipts from (Payments to) Student Org and Other Agency Transactions	1,657,415	(1,189,541)
Net Cash Provided by Non-Capital Financing Activities	197,109,601	189,366,787
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds on Issuance of Capital Debt	90,159,026	41,291,765
Proceeds from the Sale of Capital Assets	1,514	13,038
Other Payments Associated with Issuance of Capital Debt	(1,390,407)	(501,747)
Purchases of Capital Assets	(63,952,184)	(91,831,877)
Payments on Capital Debt and Leases - Principal	(10,416,190)	(14,448,716)
Payments on Capital Debt and Leases - Interest	(14,326,240)	(13,226,973)
Net Cash Provided by (Used in) Capital and Related Financing Activities	75,519	(78,704,510)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sales and Maturities of Investments	26,285,505	88,309,732
Interest on Investments	157,592	1,112,175
Purchase of Investments	(52,301,217)	(29,000,000)
Net Cash (Used in) Provided by Investing Activities	(25,858,120)	60,421,907
(Decrease) Increase in Cash and Cash Equivalents	(13,136,298)	1,526,507
Cash and Cash Equivalents, Beginning of Year	65,119,603	63,593,096
Cash and Cash Equivalents, End of Year	\$ 51,983,305	\$ 65,119,603

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

**Exhibit 3**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF CASH FLOWS – (Continued)**  
**For The Years Ended August 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (200,285,854)	\$ (191,022,357)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities		
State On-Behalf Payments	13,258,189	12,959,260
Depreciation Expense	9,749,746	6,531,221
Other Non-Cash Adjustments	-	35,546
Changes in Assets and Liabilities:		
Receivables (Net)	(2,871,008)	(2,923,770)
Other Assets	(123,755)	(130,957)
Deferred Charges	1,410,148	(1,739,797)
Accounts Payable	(9,549,244)	1,767,846
Accrued Liabilities	(479,661)	(878,159)
Compensated Absences	258,100	399,775
OPEB Payable	380,807	283,216
Deferred Revenues	3,789,234	5,160,499
Net Cash Used in Operating Activities	<b>\$ (184,463,298)</b>	<b>\$ (169,557,677)</b>
 <b>SCHEDULE OF NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
State On-Behalf Payments	\$ 13,258,189	\$ 12,959,260
Non-Cash Gifts	2,559	23,331
Change in Fair Value of Investments	(212,861)	528,814
Net Non-Cash Investing, Capital, and Financing Activities	<b>\$ 13,047,887</b>	<b>\$ 13,511,405</b>

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

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**NOTE 1. REPORTING ENTITY**

The Austin Community College District (“the College”) was established in December 1972, in accordance with the laws of the State of Texas, to serve the educational needs of Austin and the surrounding communities, and began operation in September 1973. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The College is a comprehensive, public, two-year institution offering academic, general, occupational, developmental, and continuing adult education programs through a network of campuses. The College is governed by a nine-member Board of Trustees (“the Board”), which has governance responsibilities over all activities related to the College.

***Blended Component Unit***

Using the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, the College’s management has determined that the Austin Community College District Public Facility Corporation (“the PFC”) should be blended with the activities of the College because its sole purpose is to assist the College in financing or otherwise assisting in the acquisition of public facilities.

The PFC was incorporated on December 21, 2007 as a non-profit corporation formed under the Texas Public Facility Corporation Act. The PFC was formed for the purpose of assisting the College in financing, refinancing, providing, or otherwise assisting in the acquisition of public facilities. The PFC is governed by a nine-member Board of Directors that is the same nine-member Board of Trustees of the College. PFC does not have authority to levy taxes. Although the PFC is legally separate from the College, the PFC is reported as if it were part of the College because its sole purpose is to assist the College in the acquisition of public facilities. That is, the PFC is reported as a blended component unit in the Basic Financial Statements of the College. Financial information for the PFC may be obtained from the College’s business office.

***Discrete Component Unit***

Using the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, the College’s management has determined that the Austin Community College Foundation (“the Foundation”) should be reported as a discrete component unit of the College because of the nature and significance of its relationship with the College. GASB Statement No. 39 requires reporting the Foundation as a component unit if the Foundation raises and holds economic resources for the direct benefit of the College and the Foundation is significant compared to the College.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

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**NOTE 1. REPORTING ENTITY (Continued)**

The Foundation is a Texas nonprofit corporation chartered in 1991 to provide supplemental financial resources to advance the institutional goals and expand the educational services of the College. It is the intention of the Foundation to support educational initiatives which will enhance the quality of facilities and instruction, increase and diversify educational services, and improve accessibility to educational opportunities for students, faculty, staff, and residents of the geographic areas served by the College. The Foundation is accounted for separately in the Basic Financial Statements of the College and has a May 31 fiscal year end. The Foundation's Notes to Financial Statements are disclosed in Note 25. Complete financial statements of Austin Community College Foundation can be obtained from the business office of the College.

**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 accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the College complies with *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 it applies all applicable Financial Accounting Standard 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 (BTA).

***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.

***Tuition Discounting***

*Texas Public Education Grants:*

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Title IV, Higher Education Act (HEA) 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 disbursed directly to the student, the amount is recorded as a scholarship expense.

*Tuition Remissions and Exemptions:*

Certain State or College programs provide full or partial tuition and fee exemptions to students who qualify. These remissions and exemptions are recorded as a tuition discount.

***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 adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendment 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. Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statement of Net Assets, unless they are considered to offset maturing debt and payables that has been set up as a current liability, in that case they are presented as current assets in the Statement of Net Assets. The College has designated public funds investment pools to be cash equivalents.

Board policy requires the College to maintain a minimum unrestricted, unallocated cash level of 8% of budgeted total annual expenses plus total accounts payable. The College was in compliance with this policy as of August 31, 2011 and 2010.

***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 date 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.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets***

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. Equipment with an estimated useful life less than one year is not capitalized. Renovations to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The following represents the capitalization threshold and useful lives for the capital asset types:

Capital Asset Type	Capitalization Threshold	Estimated Useful Life
Buildings and Building Improvements	\$ 100,000	50 Years
Infrastructure	100,000	30 Years
Other Real Estate Improvements	100,000	20 Years
Library Books	N/A	15 Years
Furniture, Machinery, Vehicles and Other Equipment	5,000	10 Years
Telecommunications and Peripheral Equipment	5,000	5 Years
Leasehold Improvements	100,000	Lease Tenure

***Net Assets***

The College's net assets are classified as follows:

*Invested in Capital Assets, Net of Related Debt:* This category represents the College's total investment in capital assets, net of related outstanding debt and accumulated depreciation.

*Restricted Net Assets, Nonexpendable:* Net Assets, such as endowments and similar type funds, which are subject to externally imposed stipulations requiring that the funds be maintained permanently by the College.

*Restricted Net Assets, Expendable:* Net Assets for which the College is legally or contractually obligated to spend in accordance with external restrictions.

*Unrestricted Net Assets:* Unrestricted Net Assets are resources that are not subject to any external restrictions and may be used at the discretion of the governing board for any lawful purpose of the College.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Deferred Revenues***

Tuition, fees, and other revenues received and related to periods after August 31, 2011 or 2010, respectively, have been deferred to the subsequent fiscal year.

***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 Non-Operating Revenue and Expense Policy***

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA 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 non-operating revenues are State appropriations, property tax revenues, and Title IV Federal grants and contracts. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The major non-operating expenses include interest on capital related debt and losses on disposal of capital assets.

In response to guidance provided by GASB as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs (e.g. Pell grants) is characterized as non operating revenue as opposed to operating revenue.

**NOTE 3. AUTHORIZED INVESTMENTS**

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act ("PFIA") (Sec. 2256.001 Texas Government Code). The Board has adopted a written investment policy regarding the investment of its funds as defined in the PFIA. 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. During the years ended August 31, 2011 and 2010 the College was in compliance with the Public Funds Investment Act.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

**NOTE 4. DEPOSITS AND INVESTMENTS**

At August 31, 2011 and 2010, the College had demand deposits with the carrying amount of \$3,046,329 and \$1,536,019, respectively, and total bank balances equaled \$3,360,994 and \$2,557,861, respectively. For the fiscal year ended August 31, 2011 bank balances up to \$250,000 were covered by the Federal Deposit Insurance Corporation ("FDIC"), the standard deposit insurance amount. Additionally, from December 31, 2010 to December 31, 2012, all noninterest-bearing transactions are fully insured under Bank of America's Temporary Unlimited Coverage. Consequently, all of the College's non-interest bearing accounts at Bank of America are fully FDIC insured regardless of the amount. Because of this increased FDIC coverage, there was no need for additional collateral for the fiscal year ended August 31, 2011. For the fiscal year ended August 31, 2010 bank balances up to \$250,000 were covered by the FDIC and the remainder was collateralized by securities pledged in the College's name, held by Bank of New York serving as a third-party agent.

In addition to insurance and collateral, the College utilizes sweep agreements as a funding mechanism for its demand deposit accounts. Under this agreement the funds are maintained in a money market account in the College's name, and then swept into the demand deposit account as needed to fund disbursements. Since the funds reside in a money market fund, custodial risk is kept to a minimum, and pledged collateral is typically not needed.

As of August 31, 2011 and 2010, the College had certificates of deposits in the amount of \$37,545,393 and 29,008,986, respectively. The College requires pledged collateral with a market value of at least 102% of the par value of the deposit, and requires monthly collateral reports from each financial institution reporting the pledged securities and their market values.

***Cash and Cash Equivalents***

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

	<u>2011</u>	<u>2010</u>
Petty Cash on Hand	\$ 17,482	\$ 18,321
Demand Deposits	3,046,329	1,536,019
Money Market Mutual Funds	12,844,588	23,440,482
Investment Pools	36,074,906	40,124,781
Total Cash and Cash Equivalents	<u>\$ 51,983,305</u>	<u>\$ 65,119,603</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

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

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Exposure	Exposure Permitted by Investment Policy
Investment Pools	36,074,906	0.00	31.62%	80%
Money Market Mutual Funds	12,844,588	0.00	11.26%	50%
Certificates of Deposit	37,545,393	1.58	32.91%	80%
U.S. Agency Securities	27,617,552	2.19	24.21%	80%
Total Portfolio	<u>\$ 114,082,439</u>	1.05		

Reconciliation of Deposits and Investments to Statement of Net Assets:

Type of Security	Market Value August 31, 2011	Market Value August 31, 2010
Investment Pools	\$ 36,074,906	\$ 40,124,781
Money Market Mutual Funds	12,844,588	23,440,482
Cash and Deposits	3,063,811	1,554,340
Total	51,983,305	65,119,603
Investments	65,162,945	38,822,186
Total Deposits and Investments	<u>\$ 117,146,250</u>	<u>\$ 103,941,789</u>

Per Statement of Net Assets (Exhibit 1):

Cash and Cash Equivalents	\$ 29,947,121	\$ 30,235,305
Restricted Cash and Cash Equivalents (Current)	10,946,442	19,022,663
Restricted Cash and Cash Equivalents (Noncurrent)	11,089,742	15,861,635
Investments (Current)	12,501,266	25,008,986
Investments (Noncurrent)	12,508,253	-
Restricted Investments	40,153,426	13,813,200
Total Deposits and Investments	<u>\$ 117,146,250</u>	<u>\$ 103,941,789</u>

*Interest Rate Risk* - In accordance with state law and College's policy, the College does not purchase any investments with maturities greater than five years. The College manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to a maximum of one and one-half years.

*Credit Risk and Concentration of Credit Risk* - In accordance with state law and the College's investment policy, investments in investment pools must be rated at least "AAA" or "AAA-m", commercial paper must be rated at least "A-1" or "P-1", and investments in obligations from other states, municipalities, counties, etc. must be rated at least "A". The College does not limit the amount it may invest in any one issuer.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

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**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

As of August 31, 2011, the College had an investment of \$27,617,552 in U.S. Agency Securities. All of those securities had a Standard and Poor rating of AA+ and a Moody's rating of Aaa.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool invests in securities that meet the requirements of Texas Public Funds Investment Act. Standard & Poor rates TexPool AAA-m. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor, as well as to the Office of Comptroller of Public Accounts, for review. As of August 31, 2011 and 2010, the College had an investment of \$36,074,906 and \$40,124,781, respectively, in TexPool, the Texas Local Government Investment Pool.

TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. The College reports investments in TexPool as cash and cash equivalents.

**NOTE 5. DERIVATIVES**

Derivatives are investment products that may be a security or contract that derives its value from another security, currency, commodity, or index, regardless of the source of funds used.

At August 31, 2011 and 2010, the College had not engaged in any derivative transactions either for investment purposes or as a risk management strategy.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2011 and 2010**

**NOTE 6. CAPITAL ASSETS**

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

	Balance September 1, 2010	Additions	Reductions	Transfers	Balance August 31, 2011
<b>Not Depreciated</b>					
Land	\$ 58,235,054	\$ 34,029,054	\$ -	\$ -	\$ 92,264,108
Construction in Progress	2,638,541	9,220,810	-	(5,618,057)	6,241,294
Subtotal	<u>60,873,595</u>	<u>43,249,864</u>	<u>-</u>	<u>(5,618,057)</u>	<u>98,505,402</u>
<b>Other Capital Assets</b>					
Buildings	264,445,358	15,834,827	-	(13,238,136)	267,042,049
Infrastructure	2,913,746	-	-	-	2,913,746
Land Improvements	16,605,171	-	-	18,856,193	35,461,364
Library Books	4,606,391	307,942	(86,613)	-	4,827,720
Equipment	27,626,123	1,550,848	(426,695)	-	28,750,276
Subtotal	<u>316,196,789</u>	<u>17,693,617</u>	<u>(513,308)</u>	<u>5,618,057</u>	<u>338,995,155</u>
<b>Accumulated Depreciation</b>					
Buildings	27,364,494	4,826,358	-	-	32,190,852
Infrastructure	1,359,748	97,125	-	-	1,456,873
Land Improvements	6,997,959	1,562,317	-	-	8,560,276
Library Books	1,943,388	266,546	(86,613)	-	2,123,321
Equipment	15,394,703	2,485,150	(337,291)	-	17,542,562
Subtotal	<u>53,060,292</u>	<u>9,237,496</u>	<u>(423,904)</u>	<u>-</u>	<u>61,873,884</u>
Net Other Capital Assets	<u>263,136,497</u>	<u>8,456,121</u>	<u>(89,404)</u>	<u>5,618,057</u>	<u>277,121,271</u>
<b>Assets Under Capital Leases</b>					
Equipment	2,561,255	-	-	-	2,561,255
Accumulated Depreciation					
Equipment	<u>1,149,506</u>	<u>512,250</u>	<u>-</u>	<u>-</u>	<u>1,661,756</u>
Net Assets Under Capital Lease	<u>1,411,749</u>	<u>(512,250)</u>	<u>-</u>	<u>-</u>	<u>899,499</u>
Net Capital Assets	<u>\$ 325,421,841</u>	<u>\$ 51,193,735</u>	<u>\$ (89,404)</u>	<u>-</u>	<u>\$ 376,526,172</u>

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**NOTE 6. CAPITAL ASSETS (Continued)**

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

	Balance September 1, 2009	Additions	Reductions	Transfers	Balance August 31, 2010
<b>Not Depreciated</b>					
Land	\$ 37,547,047	\$ 20,688,007	\$ -	\$ -	\$ 58,235,054
Construction in Progress	34,551,308	72,214,292	-	(104,127,059)	2,638,541
Subtotal	<u>72,098,355</u>	<u>92,902,299</u>	<u>-</u>	<u>(104,127,059)</u>	<u>60,873,595</u>
<b>Other Capital Assets</b>					
Buildings	162,980,711	-	-	101,464,647	264,445,358
Infrastructure	2,913,746	-	-	-	2,913,746
Land Improvements	13,942,759	-	-	2,662,412	16,605,171
Library Books	3,847,126	970,327	(211,062)	-	4,606,391
Equipment	21,086,727	6,958,537	(419,141)	-	27,626,123
Subtotal	<u>204,771,069</u>	<u>7,928,864</u>	<u>(630,203)</u>	<u>104,127,059</u>	<u>316,196,789</u>
<b>Accumulated Depreciation</b>					
Buildings	24,184,863	3,179,631	-	-	27,364,494
Infrastructure	1,262,623	97,125	-	-	1,359,748
Land Improvements	6,462,595	535,364	-	-	6,997,959
Library Books	1,902,987	251,464	(211,063)	-	1,943,388
Equipment	13,846,941	1,955,387	(407,625)	-	15,394,703
Subtotal	<u>47,660,009</u>	<u>6,018,971</u>	<u>(618,688)</u>	<u>-</u>	<u>53,060,292</u>
Net Other Capital Assets	<u>157,111,060</u>	<u>1,909,893</u>	<u>(11,515)</u>	<u>104,127,059</u>	<u>263,136,497</u>
<b>Assets Under Capital Leases</b>					
Equipment	2,561,255	-	-	-	2,561,255
Accumulated Depreciation					
Equipment	<u>637,256</u>	<u>512,250</u>	<u>-</u>	<u>-</u>	<u>1,149,506</u>
Net Assets Under Capital Lease	<u>1,923,999</u>	<u>(512,250)</u>	<u>-</u>	<u>-</u>	<u>1,411,749</u>
Net Capital Assets	<u>\$ 231,133,414</u>	<u>\$ 94,299,942</u>	<u>\$ (11,515)</u>	<u>\$ -</u>	<u>\$ 325,421,841</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 7. LONG-TERM LIABILITIES**

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

	Balance September 1, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
<b>Bonds</b>					
2002 Revenue Bond	\$ 11,394,935	\$ 401,250	\$ (4,190,000)	\$ 7,606,185	\$ (421,032)
2005 Revenue Bond	23,896,056	-	(1,677,454)	22,218,602	1,661,573
2009A Revenue Bond	31,683,772	-	(347,041)	31,336,731	340,108
2009B Revenue Bond	9,364,925	-	(1,406,700)	7,958,225	1,431,334
2010 Revenue Bond	-	4,127,358	(38,393)	4,088,965	335,991
2011 Revenue Bond	-	22,225,000	-	22,225,000	-
2011A Revenue Bond	-	20,275,000	-	20,275,000	300,000
2011B Revenue Bond	-	10,050,000	-	10,050,000	-
Total Revenue Bonds	<u>76,339,688</u>	<u>57,078,608</u>	<u>(7,659,588)</u>	<u>125,758,708</u>	<u>3,647,974</u>
2003 G.O. Bond	66,840,519	-	(913,004)	65,927,515	974,251
2004 G.O. Bond	10,922,834	-	(256,394)	10,666,440	256,706
2006 G.O. Bond	18,635,920	284,780	(346,043)	18,574,657	62,788
Total G.O. Bonds	<u>96,399,273</u>	<u>284,780</u>	<u>(1,515,441)</u>	<u>95,168,612</u>	<u>1,293,745</u>
2008 Lease Revenue Bonds (PFC)	120,364,635	-	(1,411,196)	118,953,439	1,821,672
2010A Lease Revenue Bonds (PFC)	-	33,470,000	-	33,470,000	-
Total Lease Revenue Bonds (PFC)	<u>120,364,635</u>	<u>33,470,000</u>	<u>(1,411,196)</u>	<u>152,423,439</u>	<u>1,821,672</u>
<b>Total Bonds</b>	<u>293,103,596</u>	<u>90,833,388</u>	<u>(10,586,225)</u>	<u>373,350,759</u>	<u>6,763,391</u>
<b>Other Long-Term Liabilities</b>					
Capital Leases	1,050,485	-	(516,190)	534,295	534,295
Compensable Absences	4,592,191	7,317,398	(7,059,298)	4,850,291	2,683,420
OPEB Payable	860,798	380,807	-	1,241,605	-
Deferred Revenue	799,583	-	(95,000)	704,583	95,000
<b>Total Other Long-Term Liabilities</b>	<u>7,303,057</u>	<u>7,698,205</u>	<u>(7,670,488)</u>	<u>7,330,774</u>	<u>3,312,715</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 300,406,653</u>	<u>\$ 98,531,593</u>	<u>\$ (18,256,713)</u>	<u>\$ 380,681,533</u>	<u>\$ 10,076,106</u>



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**NOTE 7. LONG-TERM LIABILITIES (Continued)**

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

	Balance September 1, 2009	Additions	Reductions	Balance August 31, 2010	Current Portion
<b>Bonds</b>					
1998 Revenue Bond	\$ 6,700,000	\$ -	\$ (6,700,000)	\$ -	\$ -
2000 Revenue Bond	4,515,000	-	(4,515,000)	-	-
2002 Revenue Bond	11,276,541	377,775	(259,381)	11,394,935	(129,333)
2005 Revenue Bond	24,473,944	-	(577,888)	23,896,056	1,677,454
2009A Revenue Bond	-	31,699,023	(15,251)	31,683,772	347,041
2009B Revenue Bond	-	9,392,958	(28,033)	9,364,925	1,406,700
<b>Total Revenue Bonds</b>	<u>46,965,485</u>	<u>41,469,756</u>	<u>(12,095,553)</u>	<u>76,339,688</u>	<u>3,301,862</u>
2003 G.O. Bond	67,389,491	-	(548,972)	66,840,519	913,004
2004 G.O. Bond	11,178,318	-	(255,484)	10,922,834	255,660
2006 G.O. Bond	18,700,289	259,313	(323,682)	18,635,920	61,263
<b>Total G.O. Bonds</b>	<u>97,268,098</u>	<u>259,313</u>	<u>(1,128,138)</u>	<u>96,399,273</u>	<u>1,229,927</u>
2008 Lease Revenue Bonds (PFC)	121,732,442	-	(1,367,807)	120,364,635	1,411,197
<b>Total Bonds</b>	<u>265,966,025</u>	<u>41,729,069</u>	<u>(14,591,498)</u>	<u>293,103,596</u>	<u>5,942,986</u>
<b>Other Long-Term Liabilities</b>					
Capital Leases	1,549,201	-	(498,716)	1,050,485	516,190
Compensable Absences	4,192,417	2,900,569	(2,500,795)	4,592,191	2,693,286
OPEB Payable	577,582	283,216	-	860,798	-
Deferred Revenue	894,583	-	(95,000)	799,583	95,000
<b>Total Other Long-Term Liabilities</b>	<u>7,213,783</u>	<u>3,183,785</u>	<u>(3,094,511)</u>	<u>7,303,057</u>	<u>3,304,476</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 273,179,808</u>	<u>\$ 44,912,854</u>	<u>\$ (17,686,009)</u>	<u>\$ 300,406,653</u>	<u>\$ 9,247,462</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8. DEBT AND LEASE OBLIGATIONS**

***Lease Revenue Bonds***

On December 1, 2010, the College and the PFC entered into a Lease with an Option to Purchase agreement whereby the PFC will lease the Elgin Campus Facility to the College, and consequently the PFC issued \$33,470,000 in Lease Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment). The Lease Revenue Bonds, Taxable Series 2010A were issued at par and proceeds from the Bonds will be used to finance the cost of acquisition, construction and equipment of the Elgin campus that will be used by the College. A portion of the proceeds will also be used to pay the costs of issuing the Bonds.

The College also has outstanding Lease Revenue Bonds issued in 2008 which proceeds were used to finance the costs of acquisition, construction and equipment of the Round Rock Campus and to pay the cost of issuing the Bonds.

The PFC pays Lease Revenue Bonds from the lease payments made by the College. The Lease payments are due at such times and in such amounts as will be required to timely pay the principal and interest on the Lease Revenue Bonds. The Lease Revenue Bonds, Taxable Series 2010A are due and payable in annual installments varying from \$130,000 to \$3,980,000, with interest rates varying from 3.828% to 6.523% and the final installment is due in 2035. The Lease Revenue Bonds, Series 2008 are due and payable in annual installments varying from \$1,500,000 to \$9,000,000 with interest rates varying from 5.0% to 5.5% and the final installment is due in 2033.

The obligation of the College to make lease payments is a current expense, payable solely from funds annually appropriated by the College for such use. Remedies available upon a failure of the College to appropriate or pay lease payments are limited to termination of the College's leasehold interest, the right to take possession and control of the Project, and the right to sell or lease the Project upon foreclosure.

**Build America Bonds**

The PFC designated the Lease Revenue Bonds, Taxable Series 2010A as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 the ("the Recovery Act"). The PFC will receive periodic Federal Payments from the United States Treasury equal to 35% of the interest payable on these Bonds. In order to receive Federal Payments, the PFC is required to file a form with the Internal Revenue Service prior to each interest payment date for the Bonds. The Federal payments do not constitute a full faith and credit guarantee of the United States Government, but are required to be paid by the United States Treasury under the Recovery Act. The Federal Payments will not be pledged to secure payment of the Bonds; however, the PFC has agreed to deposit all Federal Payments with respect to the Bonds to the Interest and Sinking Fund.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

***General Obligation Bonds***

There were no new issuances of General Obligation Bonds for the years ended August 31, 2011 and 2010. The General Obligation Bonds outstanding as of August 31, 2011 and 2010 were issued in 2006, 2004 and 2003. The General Obligation Bonds are direct obligations payable from ad valorem taxes levied, within the limitation prescribed by law, against all property located within the College's taxing district. Payment of the bonds will be derived from taxes levied and collected on an annual basis in an amount sufficient to pay the principal and interest when due, full allowance being made for delinquencies and collection costs. The refunding 2006 General Obligation Bonds are due and payable in annual installments varying from \$40,000 to \$1,645,000, with interest rates varying from 4.0% to 9.6% and the final installment due in 2034. The remaining 2003 and 2004 General Obligation Bonds not refunded by the 2006 bond issuance are due and payable in annual installments varying from \$250,000 to \$5,130,000, with interest rates ranging from 2.25% to 5.0% and the final installment due in 2033.

***Revenue Bonds***

On July 29, 2011, the College issued \$10,050,000 in Subordinate Lien Combined Fee Revenue Bonds, Series 2011B. The Bonds were issued to acquire the Hays campus land and to pay for the cost of issuing the Bonds. On July 1, 2011, the College issued \$20,275,000 in Combined Fee Revenue Building Bonds, Taxable Series 2011A. The proceeds of the Bonds will be used to acquire real property including property in the vicinity of Highland Mall, and renovate and improve College facilities and to pay for the cost of issuing the Bonds. On April 1, 2011, the College issued \$22,225,000 in Combined Fee Revenue Building Bonds, Taxable Series 2011. The proceeds of the bonds will be used to pay for the acquisition, construction, and improvement of property, buildings and facilities for the College, including a substantial portion of the Highland Mall, and to pay the costs of issuance for the Bonds. And on October 15, 2010, the College issued \$3,860,000 Combined Fee Revenue Refunding Bonds, Series 2010. The Bonds were issued to refund all the callable outstanding 2002 Bonds and to pay for the costs of issuing the Bonds.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

Repayment of the revenue bond indebtedness is collateralized by a first lien on a pledge of certain tuition and fees described below. The bond indentures for all outstanding Revenue Bonds require that the College deposit into an interest and sinking fund the following: 1) Tuition Fee pledged at the maximum amount permitted by Section 130.123 of the Texas Education Code, as amended. Section 130.123 currently limits the maximum pledge to an amount equal to 25% of all tuition collections; 2) the General Fee of \$13 per semester credit hour from all nonexempt students for each semester and summer term; and 3) investment income derived from any and all funds. Such pledged tuition and fees amounted to \$27,761,102 and \$24,934,901 for the years ended August 31, 2011 and 2010, respectively. The pledged amount equates to 36.3% and 36.9% of the above revenue streams, respectively. The actual debt service payment for those years was \$6,616,939 and \$5,523,742, respectively. Compared to the minimum required pledge to debt service coverage ratio of 1.25, the actual coverage ratio was 4.20 and 4.51, respectively. Revenue bonds payable are due in annual installments varying from \$125,000 to \$10,050,000, with interest rates ranging from 0.711% to 5.767% and the final installment due in 2036. The College has complied with all significant bond covenants for the years ended August 31, 2011 and 2010.

The debt service requirement at August 31, 2011 is summarized below:

For the Year Ended August 31,	<u>General Obligation Bonds</u>		<u>Combined Fee Revenue Bonds</u>		<u>Lease Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest (1)</u>
2012	1,430,000	3,998,396	3,895,000	4,982,737	1,500,000	7,582,913
2013	2,105,000	3,950,996	14,100,000	4,862,778	1,960,000	7,504,163
2014	2,640,000	3,866,796	4,170,000	4,575,257	2,460,000	7,401,263
2015	2,680,000	3,756,046	4,315,000	4,442,095	2,970,000	7,272,113
2016	3,450,000	3,624,897	7,546,421	4,716,134	3,460,000	7,119,778
2017-2021	15,038,659	16,549,181	37,846,346	18,693,915	24,225,000	32,418,340
2022-2026	22,800,000	12,550,369	21,621,749	14,490,821	34,550,000	25,011,362
2027-2031	28,250,000	7,098,563	20,295,000	4,155,269	47,825,000	15,090,962
2032-2036	14,770,000	1,095,456	7,830,000	1,180,793	31,395,000	3,023,593
SubTotal	\$93,163,659	\$56,490,700	\$121,619,516	\$62,099,799	\$150,345,000	\$112,424,487
Net premium	866,858	-	1,115,067	-	2,078,439	-
Accreted Interest	1,138,095	-	3,024,125	-	-	-
Total	<u>\$95,168,612</u>	<u>\$56,490,700</u>	<u>\$125,758,708</u>	<u>\$62,099,799</u>	<u>\$152,423,439</u>	<u>\$112,424,487</u>

Note:

(1) Future interest amount is shown net of "Build America Bonds" Federal subsidy. As "Build America Bonds," the PFC will receive periodic Federal Payments from the United States Treasury equal to 35% of the interest payable on its Lease Revenue Bonds, Taxable Series 2010A.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

General information related to general obligation, revenue and lease revenue bonds payable is summarized below:

**General Obligation Bonds:**

- Limited Tax Bonds Refunding, Series 2006.
  - To refund a portion of Series 2003 and 2004 bonds.
  - Issued December 12, 2006.
  - Total authorized \$17,573,659; \$15,530,000 Current Interest Bonds and \$2,043,659 Capital Appreciation Bonds; all authorized bonds have been issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$16,203,659 and \$16,443,659, respectively.
  
- Limited Tax Bonds, Series 2004.
  - To construct, renovate and equip college buildings district-wide, including phase 2 of the Health Careers Building, construction of the South Austin campus, parking and other such improvements as determined by the College.
  - Issued June 30, 2004.
  - Total authorized \$99,000,000; \$23,910,000 issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$10,645,000 and \$10,895,000, respectively.
  
- Limited Tax Bonds, Series 2003.
  - To construct, renovate and equip college buildings district-wide, including student parking and other such improvements as determined by the College.
  - Issued July 10, 2003.
  - Total authorized \$99,000,000; \$75,000,000 issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$66,315,000 and \$67,180,000, respectively.

**Combined Fee Revenue Bonds:**

- Subordinate Lien Combined Fee Revenue Bonds, Series 2011B.
  - To acquire land for Hays Campus construction.
  - Issued July 29, 2011.
  - Total authorized \$10,050,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$10,050,000 and \$0, respectively.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

- Combined Fee Revenue Building Bonds, Taxable Series 2011A.
  - To acquire real property and renovate and improve college facilities including real property in the vicinity of Highland Mall.
  - Issued July 1, 2011.
  - Total authorized \$20,275,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$20,275,000 and \$0, respectively.
  
- Combined Fee Revenue Building Bonds, Taxable Series 2011.
  - To acquire real property and renovate and improve college facilities including acquiring a substantial portion of Highland Mall.
  - Issued April 1, 2011.
  - Total authorized \$22,225,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$22,225,000 and \$0, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2010.
  - To refund all the callable outstanding Series 2002 Bonds.
  - Issued October 15, 2010.
  - Total authorized \$3,860,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$3,860,000 and \$0, respectively.
  
- Combined Fee Revenue Building Bonds, Series 2009A.
  - To acquire real property and renovate and improve college facilities.
  - Issued November 1, 2009.
  - Total authorized \$31,510,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$31,180,000 and \$31,510,000, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2009B.
  - To refund the remaining 1998 and 2000 Series bonds.
  - Issued November 1, 2009.
  - Total authorized \$9,300,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$7,920,000 and \$9,300,000, respectively.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

- Combined Fee Revenue Refunding Bonds, Series 2005.
  - To refund a portion of Series 2000 bonds, and the remaining 1995 Series bonds.
  - Issued April 21, 2005.
  - Total authorized \$25,255,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$21,525,000 and \$23,090,000, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2002.
  - To purchase, acquire, renovate, construct and equip college facilities and to refund the remaining 1992 Series bonds.
  - Issued April 3, 2002.
  - Total authorized \$10,389,516; \$5,805,000 Current Interest Bonds and \$4,584,516 Capital Appreciation Bonds; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$4,584,516 and \$8,774,516, respectively.

**Lease Revenue Bonds:**

- Lease Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment).
  - To finance the cost of acquisition, construction and equipment of the Elgin Campus.
  - Issued December 1, 2010.
  - Total authorized \$33,470,000; all authorized bonds have been issued.
  - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$33,470,000 and \$0, respectively.
  
- Lease Revenue Bonds, Series 2008.
  - To finance the cost of acquisition, construction and equipment of the Round Rock Campus.
  - Issued August 1, 2008.
  - Total authorized \$118,980,000; \$93,305,000 Serial Bonds and a \$25,675,000 2033 Term Bond; all authorized bonds have been issued.
  - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
  - Outstanding principal balance as of August 31, 2011 and 2010 is \$116,875,000 and \$117,955,000, respectively.

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**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

***Arbitrage***

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The College had no arbitrage liability for the years ended August 31, 2011 and 2010.

***Capital Leases***

As of August 31, 2011 and 2010 the College made annual lease payments for capital leased property of \$553,057.

Obligations under capital leases at August 31, 2011, were as follows:

	<u>Total</u>
For the year ended August 31, 2012	<u>\$ 553,057</u>
Total Minimum Lease Payments	\$ 553,057
Less: Amount Representing Interest Costs	<u>(18,762)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 534,295</u></u>

***Interest Expense***

For the year ended August 31, 2011, the College incurred \$15,126,263 in interest cost, of which \$13,942,317 was expensed and \$1,183,946 was capitalized. For the year ended August 31, 2010, the College incurred \$13,645,853 in interest cost, of which \$6,986,512 was expensed and \$6,659,341 was capitalized.



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**NOTE 9. DEFEASED BONDS OUTSTANDING**

The liability for the bonds below does not appear on the College's financial statements as these bonds are considered legally defeased as of August 31, 2011 and 2010:

<u>Bond Issued</u>	<u>Year Refunded</u>	<u>2011 Par Value Outstanding</u>	<u>2010 Par Value Outstanding</u>
Limited Tax Bonds, Series 2004	2006	\$ 12,265,000	\$ 12,265,000
Limited Tax Bonds, Series 2003	2006	<u>5,320,000</u>	<u>5,320,000</u>
		<u>\$ 17,585,000</u>	<u>\$ 17,585,000</u>

On October 15, 2010, the College issued Combined Fee Revenue Refunding Bonds, Series 2010. The par value was \$3,860,000 and they were issued for the refunding of all the callable outstanding Series 2002 Bonds. The present value of the net refunding gain was \$384,517. The total cash flows to service the refunded bonds and cash flows required to service the refunding bonds as of the effective date of the refunding were \$5,246,875 and \$4,824,147, respectively.

On November 1, 2009, the College issued Combined Fee Revenue Refunding Bonds, Series 2009B. The par value was \$9,300,000 and they were issued for the refunding of certain outstanding Series 1998 Bonds and Series 2000 Bonds. The present value of the net refunding gain was \$755,205. The total cash flows to service the refunded bonds and cash flows required to service the refunding bonds as of the effective date of the refunding were \$11,366,381 and \$10,503,120, respectively.

**NOTE 10. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS**

The College leases various classrooms, offices, parking lots, and equipment under Rental Agreements. These agreements have clauses which allow the College to terminate the agreement if funding becomes unavailable or the Board does not approve funding. Rental payments during the fiscal year ended August 31, 2011 and 2010 were \$1,440,528 and \$1,900,050, respectively.

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**NOTE 10. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS (Continued)**

The lease with the City of Austin (see Note 18) is the only non-cancelable lease for the College, and the future minimum rental payments are as follows:

For the Year Ending August 31,	Total
2012	\$ 70,000
2013	70,000
2014	70,000
2015	70,000
2016	70,000
2017-2019	210,000
Total Future Minimum Lease Payments	<u>\$ 560,000</u>

**NOTE 11. EMPLOYEES' RETIREMENT PLANS**

***Defined Benefit Plan***

The State of Texas ("the State") has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS), a multiple-employer public employee retirement system (PERS). It is a cost-sharing PERS with one exception: all risks and costs are not shared by the employer but are the liability of the State. TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees covered under the plan. It operates primarily under the provisions of Texas Constitution, Article XVI § 67 and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively. Structure, benefits and contributions are established by state statute. State law provides a state contribution rate of 6.644%, 6.644% and 6.58% for fiscal years 2011, 2010, and 2009, respectively, and a member contribution rate of 6.4%. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy:

- (1) The state constitution requires legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system during that fiscal year.
- (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

All College employees, except those employed less than one-half the standard workload, those exempted by law, and those participating in the Optional Retirement Program (ORP) are required to participate in TRS. Some employees, like physical plant or grant funded employees, are not funded by the State and therefore the College funds TRS for these employees.

The State's, the College's, and the participants' combined contributions to TRS were \$11,397,994, \$10,273,134, and \$9,437,797 for the years ended August 31, 2011, 2010, and 2009, respectively. These contributions represent 100% of the annual required contributions for each year. For the years ended August 31, 2011, 2010, and 2009, TRS contributions made by employees were \$5,570,098, \$5,079,637, and \$4,657,045, respectively; contributions made by the State were \$5,360,013, \$4,773,837, and \$4,351,598, respectively; and the expense to the College was \$467,883, \$419,660, and \$429,154, respectively. Total payroll for employees covered by the System for the years ended August 31, 2011, 2010, and 2009 was \$87,041,567, \$79,369,464, and \$72,775,648, respectively.

TRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Road, Austin, Texas 78701, by calling 1-800-223-8778, or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

***Defined Contribution Retirement Plans***

The State has also established the ORP for institutions of higher education that is subject to amendment by the Texas Legislature. Participation in the ORP is in lieu of participation in the TRS. The ORP provides for the purchase of annuity contracts as individual retirement accounts and is a defined contribution plan. For fiscal years 2011 and 2010, the employee contribution rate is 6.65% and the State contribution rate is 6.40%. For those employees hired prior to September 1, 1995, the College contributes an additional 2.10% for the fiscal years ended August 31, 2011 and 2010. For the years ended August 31, 2011 and 2010, ORP contributions made by employees were \$2,070,438 and \$2,029,376, respectively; contributions made by the State were \$1,986,852 and \$1,940,123, respectively; and the expense to the College was \$2,395,611 and \$2,359,201, respectively. Total payroll of employees participating in ORP for the fiscal years ended August 31, 2011 and 2010 are \$31,135,270 and \$30,517,232, respectively.

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**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

In addition, the College has established a defined contribution Money Purchase Plan for part-time employees, called the Part-Time Employees Retirement System (PTERS). To be eligible for participation in the PTERS, an employee must complete one hour of service in a service period. Participation in this plan is in lieu of participation in the TRS or the ORP. Under the PTERS, the College is required to withhold from an employee's compensation 6% and match an amount equal to 1.5% of the employee's total compensation for a combined contribution of 7.5% of the employee's total annual compensation. The College has contracted with Ohio National Life Insurance Company to administer the PTERS. The College maintains the authority to amend plan provisions and contributions of the PTERS. For the years ended August 31, 2011 and 2010, PTERS contributions made by employees were \$2,170,178 and \$1,960,658; and the expense to the College was \$542,571 and \$490,184, respectively. Total payroll of employees participating in PTERS for the fiscal years ended August 31, 2011 and 2010 are \$36,169,987 and \$32,677,895, respectively.

The College has no additional or unfunded liabilities for these plans.

**NOTE 12. HEALTHCARE AND LIFE INSURANCE BENEFITS**

In addition to the pension benefits described in Note 11, the State provides certain health care and life insurance benefits for most active and retired employees. Some employees, like physical plant or grant funded employees, are not funded by the State and therefore the College funds the benefits for these employees. The State appropriates a sum-certain amount for these benefits to the College based on employee enrollments during the legislative cycle, and any additional expense must be funded by the College. These benefits are administered by the Employee Retirement System of Texas and provided through an insurance company whose premiums are based on benefits paid during the previous year.

For the year ended August 31, 2011, the State's maximum contribution per full-time employee was \$438 per month for the year and totaled \$5,254 per employee for the year. The State also paid a maximum amount for a spouse, child(ren), or family of \$688, \$606, and \$856 per month, respectively. The total cost of providing those benefits for the year was \$1,217,188 for 260 retirees and \$11,785,284 for 2,196 active employees.

For the year ended August 31, 2010, the State's maximum contribution per full-time employee was \$429 per month for the year and totaled \$5,150 per employee for the year. The State also paid a maximum amount for a spouse, child(ren), or family of \$675, \$594, and \$839 per month, respectively. The total cost of providing those benefits for the year was \$1,182,778 for 243 retirees and \$10,204,897 for 2,066 active employees.

Of the costs above, the health insurance expense to the State on-behalf of the College was \$7,898,176 and \$8,185,423 for the fiscal years ended August 31, 2011 and 2010, respectively. The expense to the College was \$5,104,296 and \$3,202,252 for the fiscal years ended August 31, 2011 and 2010, respectively.

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**NOTE 13. ON-BEHALF PAYMENTS**

For the fiscal years ended August 31, 2011 and 2010 the College recorded State on-behalf contributions for the Teacher's Retirement System of \$5,360,013 and \$4,773,837, respectively, and contributions for the Optional Retirement Program of \$1,986,852 and \$1,940,123, respectively. The Optional Retirement Program contributions are received as cash reimbursements from the State for payments made by the College to the respective investment funds on behalf of the employees.

The College recorded State on-behalf contributions for health insurance of \$7,898,176 and \$8,185,423 for the fiscal years ended August 31, 2011 and 2010, respectively. These were non-cash, on-behalf contributions.

The State's total on-behalf contributions for the fiscal years ended August 31, 2011 and 2010 of \$15,245,041 and \$14,899,383, respectively, were recorded as revenues and expenses in the accompanying basic financial statements.

**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

***Retiree Medical Insurance - 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 contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

***Retiree Medical Insurance - 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, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*.

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**NOTE 14. 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 employer contribution for the retiree medical insurance is funded by the State as an on-behalf contribution. The State's on-behalf contributions to SRHP for the years ended August 31, 2011, 2010, and 2009, were \$1,217,188, \$1,182,778, and \$1,042,227, respectively.

***Retiree Dental Care – Plan Description***

The College has elected to reimburse retirees' cost of dental benefits received through the State's SRHP. The College refers to the reimbursement program as the "Retiree Dental Care Plan" and it is considered a single employer plan. Retirees that elect to receive dental benefits, make direct contributions to the SRHP. The College then reimburses the retiree quarterly for the cost of their contribution to the SRHP. There are no stand alone reports associated with this plan.

***Retiree Dental Care – Funding Policy Annual OPEB Cost***

The College reimburses 100% of the retirees cost of the dental benefits provided by the SRHP. These costs are funded on a pay-as-you-go basis. A retired employee becomes eligible for dental benefits upon retirement from the College assuming they meet the eligibility requirements for participation in the SRHP. The College's annual cost per retiree was \$269.52, \$269.52, and \$264.96 for the years 2011, 2010, and 2009, respectively. The total annual contributions made by the College were \$53,082, \$50,694, and \$48,207 for the years 2011, 2010, and 2009, respectively.

***Retiree Dental Care – Net OPEB Obligation***

The College's annual other post employment benefits (OPEB) cost related to the "Retiree Dental Care Plan" is calculated based on the annual required contributions of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The College's annual OPEB cost for the years ended August 31, 2011, 2010, and 2009 is as follows:

	2011	2010	2009
Annual Required Contribution (ARC)	\$ 433,889	\$ 333,910	\$ 333,910
Interest on OPEB Obligation	-	-	-
Adjustment to ARC	-	-	-
Annual OPEB Cost, End of Year	\$ 433,889	\$ 333,910	\$ 333,910
Employer contributions	53,082	50,694	48,207
Increase in net OPEB obligation	\$ 380,807	\$ 283,216	\$ 285,703
Net OPEB Obligation, Beginning of Year	860,798	577,582	291,879
Net OPEB Obligation, End of Year	<u>\$ 1,241,605</u>	<u>\$ 860,798</u>	<u>\$ 577,582</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended August 31, 2009, 2010, and 2011 are as follows:

Fiscal Year Ended	Net OPEB Obligation Beginning of Year	Annual OPEB Cost	Employer Contributions	Net OPEB Obligation End of Year	Annual OPEB Cost Contributed
2011	\$ 860,798	\$ 433,889	\$ 53,082	\$ 1,241,605	12.23%
2010	577,582	333,910	50,694	860,798	15.18%
2009	291,879	333,910	48,207	577,582	14.44%

***Funding Status and Funding Progress***

The funded status of the College's retiree dental care plan, under GASB Statement No. 45 as of August 31, 2011, 2010, and 2009 is as follows:

Actuarial Valuation Date as of August 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ -	\$ 4,112,179	\$ 4,112,179	0%	\$ 118,176,838	3.48%
2010	-	3,190,301	3,190,301	0%	109,886,696	2.90%
2009	-	3,190,301	3,190,301	0%	102,919,712	3.10%

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**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

***Actuarial Methods and Assumptions***

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the College's retiree dental care plan. Using the plan benefits, the present dental premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of dental benefits are based on the plan as understood by the College and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the College and the College's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions for the years ended August 31, 2011, 2010, and 2009 were as follows:

<u>Actuarial Methods and Assumptions</u>	
Investment Rate of Return	4.50% Net of Expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level as a Percentage of Employee Payroll
Salary Growth Rate	3.0% per Year
Dental Trend	3.0% per Year

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the College's retiree dental care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 15. COMPENSABLE ABSENCES**

Full-time employees earn annual leave from 10 to 13.34 hours per month, depending on the number of years employed with the College. The College's policy is that classified, professional-technical or administrative employees may accrue up to 240 hours of annual leave.

Sick leave, which is limited to a maximum of 1,200 hours, is earned at the rate of eight (8) hours per month. The maximum sick leave that may be paid to an employee when he retires or otherwise terminates employment is one-half of the employee's accumulated entitlement in excess of 960 hours. The College's policy is to recognize the cost of sick leave when earned, which provides for the College's maximum vested liability.



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**NOTE 15. COMPENSABLE ABSENCES (Continued)**

For the fiscal years ended August 31, 2011 and 2010 the College recognized \$4,850,291 and \$4,592,191, respectively, as an accrued liability for the unpaid annual and sick leave. The College's reporting of accrued liabilities for compensable absences is in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The total amount accrued at August 31, 2011, of \$4,850,291 is allocated \$957,812 to sick leave and \$3,892,479 to annual leave. The total amount accrued at August 31, 2010, of \$4,592,191 is allocated \$903,501 to sick leave and \$3,688,690 to annual leave.

**NOTE 16. PENDING LAWSUITS AND CLAIMS**

On August 31, 2011 and 2010, 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, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

The College receives federal, state and local grants that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The College's management believes such disallowances, if any, will not have a material effect on the basic financial statements.

**NOTE 17. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

***Receivables***

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

	<u>2011</u>	<u>2010</u>
Tuition and Fees Receivable (net of allowance for doubtful accounts of \$4,333,552 and \$3,782,340)	\$ 16,281,596	\$ 12,900,340
Taxes Receivable (net of allowance for doubtful accounts of \$275,007 and \$275,512)	2,475,062	2,479,611
Contracts and Grants Receivable	3,013,303	3,530,419
Investment Income Receivable	378,744	183,075
Other Receivable	181,519	175,156
Total Receivables	<u>\$ 22,330,224</u>	<u>\$ 19,268,601</u>

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**NOTE 17. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**  
**(Continued)**

***Payables***

Payable balances at August 31, 2011 and 2010 were as follows:

	2011	2010
Payable to Vendors	\$ 5,735,299	\$ 15,967,116
Salaries and Benefits Payable	3,082,667	2,995,111
Payable to Students	1,227,949	1,112,593
Accrued Interest Payable	1,447,369	1,099,955
Construction Retainage	219,557	3,976,615
Total Payables	\$ 11,712,841	\$ 25,151,390

**NOTE 18. DEFERRED REVENUE – CITY OF AUSTIN LEASE**

In 1997, the College and the City of Austin (“the City”) desired to jointly develop a “One Stop Career Center” to more efficiently coordinate the training and employment of individuals needing specialized vocational job training and educational opportunities. In order to accomplish and develop the Center, the College and the City executed several lease agreements that allowed the City to provide money to the College for the construction of the One Stop Career Center as part of the College’s development of its Eastview Campus.

The College entered into a lease with the City for a portion of the Eastview Campus. The College and the City then entered into a sublease agreement in connection with the lease-back of the premises to the College. This lease-back allowed the College to enter into a second sublease with the Capital Area Workforce Development Board for the ultimate purpose of providing work space for the One Stop Career Center. All leases are effective February 1, 1999 through January 31, 2019.

The City funded this lease with funds received from the United States Department of Housing and Urban Development, and it discounted the cost of the rent payment under the Sublease Agreement with the College as a grant to enable the College to reduce the cost of its sublease to the Capital Area Workforce Development Board for the One Stop Career Center project.

The College and the City agreed that the City would begin paying an annual base rent of \$95,000 once the building was completed, or by May 31, 2000. As a result of the prime lease, the City prepaid the entire twenty year annual base rent of \$1,900,000 to the College. For the years ended August 31, 2011 and 2010, the College has recognized \$95,000 each year as lease payments. The remaining liability is recorded as deferred revenue for the fiscal years ended August 31, 2011 and 2010 in the amounts of \$704,583 and \$799,583, respectively.

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**NOTE 19. FUNDS HELD FOR OTHERS**

The College holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amount of \$2,149,246 and \$491,831 for the fiscal years ended August 31, 2011 and 2010, respectively.

**NOTE 20. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized on *Statements of Revenues, Expenses and Changes in Net Assets* (Exhibit 2), *Schedule of Operating Revenues* (Schedule A) and *Schedule of Non-Operating Revenues and Expenses* (Schedule C). Contract and grant awards for which funds are expended but not yet collected are included in Accounts Receivable in the *Statement of Net Assets* (See Contracts and Grants Receivable, Note 17). Contract and grant awards that are not yet funded or expended 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 ended August 31, 2011 and 2010 for which no expenses have been incurred totaled \$7,218,871 and \$12,179,880, respectively.

These amounts are comprised of the following:

	<u>2011</u>	<u>2010</u>
Federal Contracts and Grant Awards	\$ 3,687,645	\$ 8,434,912
State Contracts and Grant Awards	3,335,782	3,595,026
Local Contracts and Grant Awards	48,613	144,381
Private Contracts and Grant Awards	146,831	5,561
Total Contract and Grant Awards	<u>\$ 7,218,871</u>	<u>\$ 12,179,880</u>

**NOTE 21. PROPERTY TAXES**

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 business personal property located in the College's taxing jurisdiction. The College's Taxable Assessed Values for the years ended August 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Appraised Valuation	\$ 124,833,359,961	\$ 130,105,839,286
Less: Exemptions	(19,963,728,179)	(21,074,859,539)
Less: Abatements	-	-
Taxable Assessed Value	<u>\$ 104,869,631,782</u>	<u>\$ 109,030,979,747</u>

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**NOTE 21. PROPERTY TAXES (Continued)**

Tax rates for the years ended August 31, 2011 and 2010, are as follows:

Fiscal Year 2011:

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation Authorized	\$ 0.0900	\$ 0.5000	\$ 0.5900
Tax Rate per \$100 valuation Assessed	\$ 0.0900	\$ 0.0051	\$ 0.0951

Fiscal Year 2010:

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation Authorized	\$ 0.0900	\$ 0.5000	\$ 0.5900
Tax Rate per \$100 valuation Assessed	\$ 0.0900	\$ 0.0046	\$ 0.0946

Taxes levied for the years ended August 31, 2011 and 2010 are \$100,446,970 and \$104,074,010, respectively (which includes adjustments for the year, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 1 of each year a tax lien attaches to property to secure payment of all taxes, penalties, and interest.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 21. PROPERTY TAXES (Continued)**

Taxes collected for the years ended August 31, 2011 and 2010, are as follows:

Fiscal Year 2011:

	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 94,219,850	\$ 5,336,122	\$ 99,555,972
Delinquent Taxes Collected	468,537	26,535	495,072
Penalties & Interest Collected	636,407	36,043	672,450
Other Tax Related Collections	63,050	3,571	66,621
Total Collections	\$ 95,387,844	\$ 5,402,271	\$100,790,115

Fiscal Year 2010:

	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 98,044,742	\$ 5,016,826	\$103,061,568
Delinquent Taxes Collected	372,712	19,071	391,783
Penalties & Interest Collected	484,777	24,805	509,582
Other Tax Related Collections	92,214	4,719	96,933
Total Collections	\$ 98,994,445	\$ 5,065,421	\$104,059,866

Tax collections for the years ended August 31, 2011 and 2010 are 99.11% and 98.93%, respectively, of the current tax levy. The allowance for uncollectible property taxes amounted to \$275,007 and \$275,512 for the years ended August 31, 2011 and 2010, respectively. The use of debt service tax proceeds is restricted for the retirement of general obligation bonds.

**NOTE 22. 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 unrelated business income tax liability for the fiscal years ended August 31, 2011 and 2010.

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**NOTE 23. GREATER AUSTIN AREA TELECOMMUNICATIONS NETWORK**

The College entered into a telecommunications network interlocal agreement with the Austin Independent School District, Travis County, the State of Texas, the University of Texas System, and the City of Austin (“the Participants”) to provide a governmental communications network linking each of the Participants’ facilities. The Participants formed the Greater Austin Area Telecommunications Network Interlocal Agency to manage the network. No compensation is paid to any entity for use of the network. Instead, the cost of the construction of the network and use of the network is allocated among the owners on the basis of their respective interests.

**NOTE 24. CONSTRUCTION COMMITMENT**

The College has entered into construction commitments for various projects including the renovation of facilities and the construction of buildings. At August 31, 2011 and 2010, the outstanding commitments under construction contracts for facilities and other projects are \$3,596,372 and \$4,273,222, respectively.

**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**

Complete financial statements of Austin Community College Foundation can be obtained from the College’s Business Office.

***Notes to the Foundation Financial Statements***

The following footnotes are excerpted from the Foundation’s audited financial statements dated May 31, 2011:

**A: ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

1. Organization and Nature of Activities

Austin Community College Foundation (Foundation) is a Texas non-profit corporation chartered in 1991 to provide supplemental financial resources to advance the institutional goals and expand the education services of the Austin Community College District (ACC). The mission of the Foundation is to support educational initiatives which will enhance the quality of facilities and instruction, increase and diversify educational services, and improve accessibility to educational opportunities for students, faculty, staff and residents of the geographic areas served by ACC.

The Foundation is organized exclusively to support ACC and its programs and is considered a component unit by ACC. As such, the financial statements of the Foundation are included within the financial statements of ACC.

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**A: ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

3. Basis of Presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under these standards, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

4. Cash Equivalents

The Foundation considers checking accounts, saving accounts, money market funds and certificates of deposits with initial maturities of three months or less to be cash equivalents.

5. Investments

The Foundation records investments using the guidance of FASB ASC 958-320, *Not-for-Profit Entities: Investments – Debt and Equity Securities*. Investments are stated at their readily determinable fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

6. Contributions

The Foundation records contributions using the guidance of FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to unrestricted net assets. The Foundation's policy is to report restricted support that is satisfied in the year of receipt as restricted and then released in the same year.

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**A: ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

7. Functional Expenses

Expenses are categorized by function as either (1) program services, (2) general and administrative, or (3) fundraising expenses. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to the function.

8. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**B: TAX EXEMPT STATUS**

The Foundation is generally exempt from federal income tax under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3). The Foundation has also been determined not to be a private foundation within the meaning of Section 509(a) of the Code because it is an organization described in Section 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes has been included in these financial statements.

The tax years 2007 through 2010 remain open to examination by the major taxing jurisdictions in which returns are filed.

**C: INVESTMENTS**

Investments comprised the following at May 31,

	<u>2011</u>	<u>2010</u>
Mutual funds	\$ 2,331,622	\$ 1,032,426
Corporate bonds	1,542,568	467,660
Government securities	126,673	182,871
Certificates of deposit	49,870	-
Equity securities	-	77,605
	<u>\$ 4,050,733</u>	<u>\$ 1,760,562</u>



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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**C: INVESTMENTS (Continued)**

Investments held by the Foundation’s brokerage firm are insured by the Securities Investor Protection Corporation (SIPC) for loss, theft, or destruction of securities while in the brokerage firm’s custody. In the event of a brokerage firm’s failure, coverage is provided for up to \$500,000. This coverage does not protect against market risks and fluctuations associated with normal market investments.

**D: PROMISES TO GIVE**

The promises to give balances as of May 31, 2011 and 2010 were considered fully collectible. Therefore, no allowances for uncollectible balances are reflected in these financial statements. Due to the immaterial amounts of discounts calculated as of May 31, 2011 and 2010, no discounts to present value are reflected in these financial statements. Promise to give comprised the following at May 31,

	2011	2010
Collection expected in less than one year	\$ 79,043	\$ 62,299
Collection expected in one to five years	160,933	-
Promises to give, gross	239,976	62,299
Less discounts to present value	-	-
Less allowances for uncollectible balances	-	-
Promises to give, net	\$ 239,976	\$ 62,299

**E: RESTRICTIONS ON NET ASSETS**

Permanently restricted net assets were primarily comprised of endowed scholarships. Temporarily restricted net assets were comprised of investment income related to endowment funds that must be spent according to the respective endowment agreements and contributions that are not endowments, but must be used in accordance with the respective donors’ restrictions. Following are descriptions of restrictions relating to selected permanently and temporarily restricted net asset balances.

***ACC Counseling Services Endowed Scholarship***

Provide recognition to ACC students who seek professional guidance in achieving their educational goals.

***AMD/Gary Heerssen Memorial Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the electronics program.

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**E: RESTRICTIONS ON NET ASSETS (Continued)**

***Denius/Schulman Commercial Music Management Endowed Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the Commercial Music Management program.

***Denius/Schulman Recording Workshop Endowed Scholarship***

Provide support for ACC's Commercial Music Management summer music workshop for high school students.

***Military Order of the Purple Heart Service Foundation, Inc. Endowed Scholarship***

Provide scholarship opportunities for veterans and their spouses to pay for selected computer courses offered at ACC.

***Robert W. Galvin Endowed Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the Semiconductor Manufacturing Technology program.

***Royce & Donna Faulkner Family Endowed Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the Building Construction program.

***Roy F. and Joann Mitte Foundation Endowed Scholarship***

Provide recognition and financial assistance to ACC students who exhibit high academic standards.

***St. David's Neal Kocurek ACC Endowed Scholarship***

Provide financial assistance to ACC students enrolled in a health science program

**F: PERMANENTLY RESTRICTED NET ASSETS**

The Foundation's endowment comprised approximately 50 individual funds established for a variety of purposes. The Foundation does not have any Board designated endowment funds.

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**F: PERMANENTLY RESTRICTED NET ASSETS (Continued)**

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of original gift amounts of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. The remaining portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

***Funds with Deficiencies***

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donors require the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$21,150 and \$39,784 at May 31, 2011 and 2010, respectively.

***Return Objectives and Risk Parameters***

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended achieve a rate of return on investments over a 10-year period at least equal to the rate of inflation plus 5%. Actual returns in any given year may vary.

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**F: PERMANENTLY RESTRICTED NET ASSETS (Continued)**

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has adopted the following strategic asset allocation ranges: 45%-55% equity; 35%-45% fixed income; and 5%-15% cash. The Foundation's Investment Committee reviews the performance of its investments and makes reports and/or recommendations to the Foundation's Board of Trustees on at least an annual basis.

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The Foundation has a policy of appropriating for distribution each year a minimum of 3 percent of each endowment fund. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow in order to maintain the purchasing power of its endowments. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

***Changes in Endowment Funds***

Changes in the Foundation's endowment funds (excludes promises to give) were as follows for the years ended May 31, 2011 and 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds, May 31, 2009	\$ (193,188)	\$ -	\$ 1,667,790	\$ 1,474,602
Contributions	-	1,313	168,595	169,908
Return on investments	153,404	46,942	-	200,346
Appropriations	<u>-</u>	<u>(48,255)</u>	<u>-</u>	<u>(48,255)</u>
Endowment funds, May 31, 2010	(39,784)	-	1,836,385	1,796,601
Contributions	-	-	2,133,198	2,133,198
Return on investments	18,634	313,756	-	332,390
Appropriations	<u>-</u>	<u>(52,146)</u>	<u>-</u>	<u>(52,146)</u>
Endowment funds, May 31, 2011	<u>\$ (21,150)</u>	<u>\$ 261,610</u>	<u>\$ 3,969,583</u>	<u>\$ 4,210,043</u>

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**F: PERMANENTLY RESTRICTED NET ASSETS (Continued)**

Permanently restricted net assets comprised the following endowments as of May 31,

	2011	2010
AAUW - Frances Malmberg Endowed Scholarship	\$ 78,455	\$ 78,455
ACC Counseling Services Endowed Scholarship	100,025	100,025
AMD/Gary Heerssen Memorial Scholarship	155,516	155,516
Assistance League of Austin Endowed Scholarship	15,000	15,000
Austin Hotel & Lodging Association Hospitality Mgmt Endowed Scholarship	15,000	15,000
Automotive Technology Endowed Scholarship	36,025	34,025
Benjamin Clough Endowed Scholarship	40,495	40,495
Bob Lain Endowed Scholarship	16,425	16,425
Boone Baker Endowed Scholarship	4,504	4,504
Delco Endowed Scholarship	32,894	32,894
Denius/Schulman Commercial Music Management Endowed Scholarship	150,000	150,000
Denius/Schulman Recording Workshop Endowed Scholarship	100,000	100,000
Diagnostic Radiology Endowed Scholarships	15,000	15,000
Didi Stuart Endowed Scholarship in the Graphic Arts	16,510	16,510
Earl Maxwell Endowed Scholarship	22,550	22,550
Edwina Fredlund Traverso Endowed Scholarship	25,618	25,518
Eric Hanson Endowed Scholarship	39,000	39,000
Ethel Mae Hafernik Hummell Endowed Scholarship	17,000	-
Gus Garcia Endowed Scholarship	6,335	6,335
James and Oda Thompson Memorial Endowed Scholarship	15,000	15,000
James Lee Williams Endowed Scholarship	15,237	15,237
Jo Frances Hill Endowed Scholarship	16,060	16,060
Maxine Black Endowed Scholarship	16,734	16,734
Melinda Townsel & Greg Dunn Endowed Scholarship	15,000	15,000
Thomas M. Madison and O.B. Ross/Merrill Lynch Endowed Scholarships	45,000	45,000
Military Order of the Purple Heart Serv. Foundation, Inc. Endowed Scholarship	100,000	100,000
Myra A. McDaniel Endowed Scholarship	15,000	-
Nursing Program Endowed Scholarship	10,000	10,000
Pat Dobbs Endowed Scholarship	36,808	34,808
Peggy Hale Croshaw Endowed Scholarship	14,593	14,593
Pradeau Endowed Scholarship	36,000	36,000
Reagan Bradshaw Endowed Scholarship	26,445	26,445
Robert W. Galvin Endowed Scholarship	104,708	104,708
Robyn Richter Endowed Scholarship	15,000	-
Roy F. & Joann Cole Mitte Foundation Endowed Scholarship	150,000	150,000
Royce & Donna Faulkner Family Endowed Scholarship	102,500	102,500
Round Rock Endowed Scholarship	27,584	-
Ruth Townley Endowed Scholarship	9,462	9,462
"Ryan" Endowed Scholarship	18,884	18,884
South Austin Hospital Auxiliary Endowed Scholarship	35,000	30,000
St. David's Neal Kocurek ACC Endowed Scholarship	2,030,000	-
Steve E. and Anna D. Rinehart Endowed Scholarship	15,000	15,000
Dr. Stephen B. Kinslow Endowed Scholarship	17,000	-
Steve Kramer Endowed Scholarship	33,436	31,620
Student Emergency Fund Scholarship	57,000	45,000
Suzanne Cooper Endowed Scholarship	50,000	50,000
Tommy Cowan Endowed Scholarship	17,450	17,450
Travis County Medical Alliance Endowed Scholarship	11,431	11,431
Visual Communication Endowed Scholarship	50,000	50,000
	<u>\$ 3,992,684</u>	<u>\$ 1,848,184</u>

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**G: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets comprised the following as of May 31,

	2011	2010
AAUW - Frances Malmberg Endowed Scholarship	\$ 2,250	\$ -
ACC Counseling Services Endowed Scholarship	12,700	-
AMD/Gary Heerssen Memorial Scholarship	6,106	-
Assistance League of Austin Endowed Scholarship	1,527	-
Austin Hotel & Lodging Assoc. Hospitality Mgmt Endowed Scholarship	1,848	-
Automotive Technology Endowed Scholarship	405	-
Benjamin Clough Endowed Scholarship	6,564	-
Bob Lain Endowed Scholarship	841	-
Boone Baker Endowed Scholarship	-	-
Delco Endowed Scholarship	350	-
Denius/Schulman Commercial Music Mgmt Endowed Scholarship	11,096	-
Denius/Schulman Recording Workshop Endowed Scholarship	8,960	-
Diagnostic Radiology Endowed Scholarships	375	-
Didi Stuart Endowed Scholarship in the Graphic Arts	582	-
Earl Maxwell Endowed Scholarship	2,959	-
Edwina Fredlund Traverso Endowed Scholarship	1,403	-
Eric Hanson Endowed Scholarship	3,395	-
Ethel Mae Hafernik Hummell Endowed Scholarship	988	-
Gus Garcia Endowed Scholarship	707	-
James and Oda Thompson Memorial Endowed Scholarship	1,003	-
James Lee Williams Endowed Scholarship	822	-
Jo Frances Hill Endowed Scholarship	306	-
Maxine Black Endowed Scholarship	-	-
Melinda Townsel & Greg Dunn Endowed Scholarship	332	-
Thomas M. Madison and O.B. Ross/Merrill Lynch Endowed Scholarships	-	-
Military Order of the Purple Heart Serv. Foundtn, Inc. Endowed Schlrship	3,378	-
Myra A. McDaniel Endowed Scholarship	291	-
Nursing Program Endowed Scholarship	-	-
Pat Dobbs Endowed Scholarship	2,655	-
Peggy Hale Croshaw Endowed Scholarship	-	-
Pradeau Endowed Scholarship	1,155	-
Reagan Bradshaw Endowed Scholarship	-	-
Robert W. Galvin Endowed Scholarship	17,522	-
Robyn Richter Endowed Scholarship	872	-
Roy E. & Joann Cole Mitte Foundation Endowed Scholarship	28,032	-
Royce & Donna Faulkner Family Endowed Scholarship	8,277	-
Round Rock Endowed Scholarship	1,103	-
Ruth Townley Endowed Scholarship	-	-
"Ryan" Endowed Scholarship	1,056	-
South Austin Hospital Auxiliary Endowed Scholarship	2,086	-
St. David's Neal Kocurek ACC Endowed Scholarship	117,997	-
Steve E. & Ann D. Rinehart Endowed Scholarship	1,582	-
Dr. Stephen B. Kinslow Endowed Scholarship	988	-
Steve Kramer Endowed Scholarship	-	-
Student Emergency Fund Scholarship	3,830	-
Suzanne Cooper Endowed Scholarship	1,031	-
Tommy Cowan Endowed Scholarship	2,877	-
Travis County Medical Alliance Endowed Scholarship	-	-
Visual Communication Endowed Scholarship	1,361	-
Temporarily restricted, endowed	<u>\$ 261,610</u>	<u>\$ -</u>

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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**G: Temporarily Restricted Net Assets (Continued)**

	2011	2010
ACC Board of Trustees Scholarship	\$ 1,750	\$ 1,250
ACC Bookstore Scholarship	5,000	-
Activision CODE	40,000	50,000
Ada Diaz-Miranda Scholarship	-	5,000
Assistance League of Austin Scholarship	12,805	34,550
Austin Classical Guitar Society Scholarship	2,500	-
Barrientos Annual Scholarship	26,600	17,610
Bowman Scholarship	-	9,500
Boyd Vance Scholarship	2,071	-
Carolyn & Tom Gallagher Scholarship	10,000	10,000
College Connection Scholarships	5,987	19,622
Corbin T Jastrow Scholarship	1,000	5,000
Creative Writing Scholarship	-	407
Dance and Drama Scholarship	7,007	4,875
El Centro's Performing Arts Scholarship	-	3,000
Finway Incorporated Scholarship	-	2,500
Fulbright & Jaworski Scholarship	5,000	5,000
General Scholarships	38,073	32,348
Grainger Technical Scholarships	20,000	30,000
Joan Wolf Ort Memorial Scholarship	1,000	1,000
Kinnser Software Scholarships	225,000	-
LEEF Book Scholarship	2,457	-
Lila Diaz-Garcia Scholarship	-	5,000
Louise Epstein and John Henry McDonald Scholarship	-	2,500
Math Competition	200	120
McDonald's of Central Texas ACC Scholarship	-	10,000
Memorial Fund	10,863	3,511
Photography Department Scholarship	1,800	-
Presidential Scholarship	50	-
Professor Jan Smith IBIAC Scholarship	23,750	25,000
Scott D Evans Rotary Club of RR Scholarship	2,500	2,500
SEMI/Frank Squires Scholarships	70,000	70,000
Shaping the Future Scholarships	13,842	13,842
Silke Morin Scholarship	-	50
Student Emergency Fund	400	-
Student Government	500	-
TACHE Scholarship	1,000	4,000
Town Lake Links Inc. Scholarship	2,500	3,000
Veteran's Fund	150	150
W. "Woody" Woodside Rotary Club of RR Scholarship	2,500	2,500
Ward-Fuller Memorial Scholarship	100	-
Welding Tools	4,000	-
Temporarily restricted, non-endowed	<u>\$ 540,405</u>	<u>\$ 373,835</u>
Total temporarily restricted net assets	<u>\$ 802,015</u>	<u>\$ 373,835</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**G: TEMPORARILY RESTRICTED NET ASSETS (Continued)**

Restrictions on temporarily restricted net assets in the amounts of \$474,474 and \$551,380 were satisfied during the years ended May 31, 2011 and 2010, respectively.

**H: RELATED PARTY TRANSACTIONS**

The purpose of the Foundation is to support initiatives of ACC. For the years ended May 31, 2011 and 2010, the Foundation remitted \$492,680 and \$403,576, respectively, to ACC for scholarships and programs.

All of the Foundation's personnel and facilities are provided by ACC. ACC's cost of providing these services totaled approximately \$213,564 and \$205,573 during the years ended May 31, 2011 and 2010, respectively. The personnel provided by ACC do not meet the requirements for recognition as set forth in the FASB ASC 958-605 and, therefore, are not reflected in the statements of activities.

The Foundation receives in-kind contributions of property and equipment on behalf of ACC. These are considered agency transactions as the Foundation never takes custody of the property, but merely acts as a transfer agent. Therefore, these donations are not reflected as contributions and related program expenses on the statement of activities. The Foundation acted as a transfer agent and received approximately \$37,159 and \$156,757 of property and equipment during the years ended May 31, 2011 and 2010, respectively, on ACC's behalf.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
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**NOTE 25. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**I: FAIR VALUE MEASUREMENTS**

Certain assets are carried at fair value in these financial statements. Fair value measurements were arrived at using the following inputs at May 31, 2011 and 2010:

Description		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	2011			
Mutual funds	\$ 2,331,622	\$ 2,331,622	\$ -	\$ -
Corporate bonds	1,542,568	1,542,568	-	-
Government securities	126,673	126,673	-	-
Certificates of deposit	49,870	-	49,870	-
Promises to give	239,976	-	239,976	-
	<u>\$ 4,290,709</u>	<u>\$ 4,000,863</u>	<u>\$ 289,846</u>	<u>\$ -</u>
	2010	(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$ 1,032,426	\$ 1,032,426	\$ -	\$ -
Corporate bonds	467,660	467,660	-	-
Government securities	182,871	182,871	-	-
Equity securities	77,605	77,605	-	-
Promises to give	62,299	-	62,299	-
	<u>\$ 1,822,861</u>	<u>\$ 1,760,562</u>	<u>\$ 62,299</u>	<u>\$ -</u>

**J: CONCENTRATIONS**

The Foundation's mutual fund investments at May 31, 2011 included \$1,078,407 invested in American Funds' Growth Fund of America (AGTHX) and \$619,767 invested in American Funds' Investment Company of America Fund (AIVSX).

The Foundation recognized contributions totaling \$2,080,000 from St. David's Foundation during the year ended May 31, 2011.

**K: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 28, 2011, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**Other Postemployment Benefits**  
**For The Year Ended August 31, 2011**

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Actuarial Valuation Date as of August 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ -	\$ 4,112,179	\$ 4,112,179	0%	\$ 118,176,838	3.48%
2010	-	3,190,301	3,190,301	0%	109,886,696	2.90%
2009	-	3,190,301	3,190,301	0%	102,919,712	3.10%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF OPERATING REVENUES**  
**For The Fiscal 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 Total</u>	<u>2010 Total</u>
<b>Tuition:</b>						
State Funded Credit Courses						
In District Resident Tuition	\$ 27,875,636	\$ -	\$ 27,875,636	\$ -	\$27,875,636	\$23,084,623
Out of District Resident Tuition	21,689,915	-	21,689,915	-	21,689,915	19,581,202
Non Resident Tuition	7,139,204	-	7,139,204	-	7,139,204	6,396,330
TPEG - Credit (set aside)*	3,003,825	-	3,003,825	-	3,003,825	2,722,319
State Funded Continuing Education	2,281,927	-	2,281,927	-	2,281,927	2,120,941
TPEG - Non-Credit (set aside)*	127,466	-	127,466	-	127,466	115,565
Non-state Funded Educational Programs	2,829,201	-	2,829,201	-	2,829,201	2,933,419
Total Tuition	<u>64,947,174</u>	<u>-</u>	<u>64,947,174</u>	<u>-</u>	<u>64,947,174</u>	<u>56,954,399</u>
<b>Fees:</b>						
General Fees	11,155,493	-	11,155,493	-	\$11,155,493	10,404,092
Student Service Fee	1,716,150	-	1,716,150	-	1,716,150	1,569,853
Sustainability Fee	858,412	-	858,412	-	858,412	477,959
Laboratory Fee	1,184,927	-	1,184,927	-	1,184,927	1,138,880
Out of District Fees (Early College Start)	54,506	-	54,506	-	54,506	53,794
Student Accident Insurance	263,802	-	263,802	-	263,802	243,240
Application Fees	26,750	-	26,750	-	26,750	46,150
Other Fees	314,701	-	314,701	-	314,701	275,114
Total Fees	<u>15,574,741</u>	<u>-</u>	<u>15,574,741</u>	<u>-</u>	<u>15,574,741</u>	<u>14,209,082</u>
<b>Scholarship Allowances and Discounts:</b>						
Remissions and Exemptions- State	(2,284,776)	-	(2,284,776)	-	(2,284,776)	(1,360,366)
Remissions and Exemptions-Local	(5,569,919)	-	(5,569,919)	-	(5,569,919)	(4,449,819)
Title IV Federal Grants	(17,456,477)	-	(17,456,477)	-	(17,456,477)	(12,832,424)
Other Federal Grants	(460,975)	-	(460,975)	-	(460,975)	(423,326)
TPEG Awards	(718,259)	-	(718,259)	-	(718,259)	(400,849)
Other State Grants	(1,291,918)	-	(1,291,918)	-	(1,291,918)	(1,156,611)
Total Scholarship Allowances	<u>(27,782,324)</u>	<u>-</u>	<u>(27,782,324)</u>	<u>-</u>	<u>(27,782,324)</u>	<u>(20,623,395)</u>
Total Net Tuition and Fees	<u>52,739,591</u>	<u>-</u>	<u>52,739,591</u>	<u>-</u>	<u>52,739,591</u>	<u>50,540,086</u>
<b>Additional Operating Revenues:</b>						
Federal Grants and Contracts	-	7,850,298	7,850,298	-	7,850,298	7,243,206
State Grants and Contracts	-	4,214,920	4,214,920	-	4,214,920	3,499,335
Local Grants and Contracts	-	336,749	336,749	-	336,749	382,575
Non-governmental Grants and Contracts	-	1,047,028	1,047,028	-	1,047,028	1,027,534
Sales and Services of Educational Activities	4,394,812	-	4,394,812	-	4,394,812	4,370,390
General Operating Revenues	3,441,312	-	3,441,312	-	3,441,312	3,220,214
Total Additional Operating Revenues	<u>7,836,124</u>	<u>13,448,995</u>	<u>21,285,119</u>	<u>-</u>	<u>21,285,119</u>	<u>19,743,254</u>
<b>Auxiliary Enterprises:</b>						
Bookstore	-	-	-	933,549	933,549	852,749
Food Service	-	-	-	220,276	220,276	238,175
Other Auxiliary	-	-	-	89,480	89,480	56,181
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,243,305</u>	<u>1,243,305</u>	<u>1,147,105</u>
Total Operating Revenues	<u>\$ 60,575,715</u>	<u>\$ 13,448,995</u>	<u>\$ 74,024,710</u>	<u>\$ 1,243,305</u>	<u>\$75,268,015</u>	<u>\$ 71,430,445</u>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code §56.033, \$3,131,291 in 2011 and \$2,837,884 in 2010 of tuition was set aside for Texas Public Education Grants (TPEG)

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF OPERATING EXPENSES BY OBJECT**  
**For The Fiscal Year Ended August 31, 2011**  
**(With Memorandum Totals for the Year Ended August 31, 2010)**

	Salaries and Wages	Benefits		Other Expenses	2011 Total	2010 Total
		State	Local			
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 90,036,966	\$ -	\$ 5,664,117	\$ 6,924,396	\$ 102,625,479	\$ 94,998,298
Public Service	2,495,247	-	230,280	1,511,715	4,237,242	4,099,305
Academic Support	17,672,658	-	1,039,403	2,852,697	21,564,758	20,358,109
Student Services	18,859,197	-	1,110,426	1,719,090	21,688,713	19,503,884
Institutional Support	18,893,770	-	2,393,366	11,120,581	32,407,717	32,055,986
Operation and Maintenance of Plant	7,318,042	-	772,873	16,245,071	24,335,986	31,883,327
Total Unrestricted- Educational Activities	155,275,880	-	11,210,465	40,373,550	206,859,895	202,898,909
<b>Restricted - Educational Activities</b>						
Instruction	1,615,267	9,436,221	164,914	3,005,087	14,221,489	12,783,219
Public Service	522,320	-	70,008	616,399	1,208,727	1,065,676
Academic Support	278,851	1,852,163	21,037	855,462	3,007,513	2,694,313
Student Services	1,574	1,976,517	46	367,149	2,345,286	2,367,124
Institutional Support	691,924	1,980,140	-	200	2,672,264	2,996,253
Scholarship and Fellowships	-	-	-	34,550,434	34,550,434	30,784,822
Total Restricted- Educational Activities	3,109,936	15,245,041	256,005	39,394,731	58,005,713	52,691,407
Total Educational Activities	158,385,816	15,245,041	11,466,470	79,768,281	264,865,608	255,590,316
Auxiliary Enterprises	-	-	-	938,515	938,515	331,265
Depreciation Expense - Buildings and Other Real Estate Improvements	-	-	-	6,485,800	6,485,800	3,812,120
Depreciation Expense - Equipment and Library Books	-	-	-	3,263,946	3,263,946	2,719,101
Total Operating Expenses	<u>\$ 158,385,816</u>	<u>\$ 15,245,041</u>	<u>\$ 11,466,470</u>	<u>\$ 90,456,542</u>	<u>\$ 275,553,869</u>	<u>\$ 262,452,802</u>
					(Exhibit 2)	(Exhibit 2)

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
**For The Fiscal 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 Total</u>	<u>2010 Total</u>
Non-Operating Revenues:					
State Appropriations	\$ 43,852,101	\$ 15,245,041	\$ -	\$ 59,097,142	\$ 59,133,878
Maintenance Ad Valorem Taxes	95,382,789	5,402,271	-	100,785,060	104,503,979
Federal Revenue, Non Operating	-	48,823,118	-	48,823,118	40,321,844
Capital Grants & Gifts	2,559	-	-	2,559	23,331
Investment Income	256,451	150,055	-	406,506	1,277,285
Gain on Disposal of Capital Assets	-	-	-	-	1,524
Total Non-Operating Revenues	<u>139,493,900</u>	<u>69,620,485</u>	<u>-</u>	<u>209,114,385</u>	<u>205,261,841</u>
Non-Operating Expenses:					
Interest on Capital Related Debt	3,707,393	10,234,924	-	13,942,317	6,986,512
Loss on Disposal of Capital Assets	87,890	-	-	87,890	-
Total Non-Operating Expenses	<u>3,795,283</u>	<u>10,234,924</u>	<u>-</u>	<u>14,030,207</u>	<u>6,986,512</u>
Net Non-Operating Revenues	<u>\$ 135,698,617</u>	<u>\$ 59,385,561</u>	<u>\$ -</u>	<u>\$ 195,084,178</u> (Exhibit 2)	<u>\$ 198,275,329</u> (Exhibit 2)

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY**  
**August 31, 2011**  
**(With Memorandum Totals for August 31, 2010)**

	Detail by Source					Available for Current Operations	
	Restricted				Total	Yes	No
	Unrestricted	Expendable	Non- expendable	Capital Assets Net of Depreciation & Related Debt			
Current:							
Unrestricted	\$ 13,950,147	\$ -	\$ -	\$ -	\$ 13,950,147	\$ 13,950,147	\$ -
Board Designated	-	-	-	-	-	-	-
Restricted	-	465,164	-	-	465,164	-	465,164
Auxiliary Enterprises	3,292,965	-	-	-	3,292,965	3,292,965	-
Loan	-	27,609	-	-	27,609	-	27,609
Endowment							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unexpended	7,158,813	-	-	-	7,158,813	7,158,813	-
Renewals	-	-	-	-	-	-	-
Debt Service	-	17,777,580	-	-	17,777,580	-	17,777,580
Investment in Plant	-	-	-	49,330,529	49,330,529	-	49,330,529
<b>Total Net Assets, end of year</b>	<b>24,401,925</b>	<b>18,270,353</b>	<b>-</b>	<b>49,330,529</b>	<b>92,002,807</b>	<b>24,401,925</b>	<b>67,600,882</b>
					(Exhibit 1)		
<b>Total Net Assets, beginning of year</b>	<b>26,144,097</b>	<b>17,471,043</b>	<b>-</b>	<b>53,589,343</b>	<b>97,204,483</b>	<b>26,144,097</b>	<b>71,060,386</b>
					(Exhibit 1)		
<b>Net Increase in Net Assets</b>	<b>\$ (1,742,172)</b>	<b>\$ 799,310</b>	<b>\$ -</b>	<b>\$ (4,258,814)</b>	<b>\$ (5,201,676)</b>	<b>\$ (1,742,172)</b>	<b>\$ (3,459,504)</b>
					(Exhibit 2)		



# Statistical Section



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

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This part of Austin Community College District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – Showing how the College's financial position has changed over time.
- Revenue Capacity – Assessing the College's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the College's financial activities take place.
- Operating Information – Providing information about how the College's financial report relates to the services it provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>(a)</u> <u>Restated</u> <u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Net Assets:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 49,331	\$ 53,589	\$ 54,104	\$ 44,737	\$ 43,822	\$ 40,030	\$ 49,902	\$ 48,199	\$ 48,008	\$ 53,331
Restricted - Expendable	18,270	17,471	15,153	12,919	5,611	5,716	4,947	5,001	4,839	4,927
Restricted - Nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>24,402</u>	<u>26,144</u>	<u>20,694</u>	<u>26,312</u>	<u>19,874</u>	<u>8,843</u>	<u>4,122</u>	<u>3,657</u>	<u>4,428</u>	<u>4,680</u>
Net Assets, End of Year	<u>\$ 92,003</u>	<u>\$ 97,204</u>	<u>\$ 89,951</u>	<u>\$ 83,968</u>	<u>\$ 69,307</u>	<u>\$ 54,589</u>	<u>\$ 58,971</u>	<u>\$ 56,857</u>	<u>\$ 57,275</u>	<u>\$ 62,938</u>
Net Assets, Beginning of Year	<u>97,204</u>	<u>89,951</u>	<u>83,968</u>	<u>69,307</u>	<u>54,589</u>	<u>50,778</u>	<u>56,857</u>	<u>57,275</u>	<u>62,938</u>	<u>68,849</u>
Increase (Decrease) in Net Assets	<u>\$ (5,201)</u>	<u>\$ 7,253</u>	<u>\$ 5,983</u>	<u>\$ 14,661</u>	<u>\$ 14,718</u>	<u>\$ 3,811</u>	<u>\$ 2,114</u>	<u>\$ (418)</u>	<u>\$ (5,663)</u>	<u>\$ (5,911)</u>

**Notes:**

(a) The Financial Statements were restated in Fiscal Year 2006 to reflect the capitalization threshold increase from \$500 to \$5,000 for equipment and furniture.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Revenues by Source**  
**Last Ten Fiscal Years**  
(in Thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Operating Revenues:</b>										
Tuition and Fees (Net of Discounts)	\$ 52,740	\$ 50,540	\$ 47,763	\$ 45,751	\$ 45,749	\$ 40,837	\$ 38,039	\$ 35,903	\$ 32,770	\$ 31,306
Federal Grants and Contracts	7,850	7,243	4,340	4,753	5,979	3,670	3,315	3,047	3,403	3,098
State Grants and Contracts	4,215	3,499	1,831	2,055	2,352	1,380	2,106	1,437	2,041	2,290
Local Grants and Contracts	337	383	299	290	278	1,235	1,191	1,592	307	286
Non-Governmental Grants and Contracts	1,047	1,028	1,473	1,696	1,400	1,116	1,013	1,158	1,354	615
Sales and Services of Educational Activities	4,395	4,370	3,513	2,983	2,240	1,182	1,358	747	-	-
Auxiliary Enterprises	1,243	1,147	1,018	1,184	1,077	990	1,535	1,238	1,244	857
Other Operating Revenues	3,441	3,220	2,112	2,071	3,609	1,919	1,661	1,659	2,849	3,496
<b>Total Operating Revenues</b>	<b>75,268</b>	<b>71,430</b>	<b>62,349</b>	<b>60,783</b>	<b>62,684</b>	<b>52,329</b>	<b>50,218</b>	<b>46,781</b>	<b>43,968</b>	<b>41,948</b>
<b>Non-Operating Revenues:</b>										
State Appropriations	59,097	59,134	55,950	55,451	48,544	44,739	43,938	43,523	45,355	47,457
Ad Valorem Taxes	100,785	104,504	88,900	80,568	71,181	53,876	44,094	37,138	24,849	23,239
Federal Revenue, Non Operating	48,823	40,322	22,799	17,222	14,817	14,307	14,247	12,678	10,688	8,108
Gifts	3	23	130	37	96	52	192	76	79	427
Investment Income	406	1,277	717	3,870	4,887	4,234	2,713	1,100	606	999
Other Non-operating revenues	-	2	-	-	-	184	1	-	-	29
<b>Total Non-Operating Revenues</b>	<b>209,114</b>	<b>205,262</b>	<b>168,496</b>	<b>157,148</b>	<b>139,525</b>	<b>117,392</b>	<b>105,185</b>	<b>94,515</b>	<b>81,577</b>	<b>80,259</b>
<b>Total Revenues</b>	<b>\$284,382</b>	<b>\$276,692</b>	<b>\$230,845</b>	<b>\$217,931</b>	<b>\$202,209</b>	<b>\$169,721</b>	<b>\$155,403</b>	<b>\$141,296</b>	<b>\$125,545</b>	<b>\$122,207</b>

**Percentage of Total**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Operating Revenues:</b>										
Tuition and Fees (Net of Discounts)	18.55%	18.27%	20.69%	20.99%	22.62%	24.06%	24.48%	25.41%	26.10%	25.62%
Federal Grants and Contracts	2.76%	2.62%	1.88%	2.18%	2.96%	2.16%	2.13%	2.16%	2.71%	2.54%
State Grants and Contracts	1.48%	1.26%	0.79%	0.94%	1.16%	0.81%	1.36%	1.02%	1.63%	1.87%
Local Grants and Contracts	0.12%	0.14%	0.13%	0.13%	0.14%	0.73%	0.77%	1.13%	0.24%	0.23%
Non-Governmental Grants and Contracts	0.37%	0.37%	0.64%	0.78%	0.69%	0.66%	0.65%	0.82%	1.08%	0.50%
Sales and Services of Educational Activities	1.55%	1.58%	1.52%	1.37%	1.11%	0.70%	0.87%	0.53%	0.00%	0.00%
Auxiliary Enterprises	0.44%	0.41%	0.44%	0.54%	0.53%	0.58%	0.99%	0.88%	0.99%	0.70%
Other Operating Revenues	1.20%	1.17%	0.92%	0.96%	1.79%	1.13%	1.06%	1.16%	2.27%	2.87%
<b>Total Operating Revenues</b>	<b>26.47%</b>	<b>25.82%</b>	<b>27.01%</b>	<b>27.89%</b>	<b>31.00%</b>	<b>30.83%</b>	<b>32.31%</b>	<b>33.11%</b>	<b>35.02%</b>	<b>34.33%</b>
<b>Non-Operating Revenues:</b>										
State Appropriations	20.78%	21.37%	24.24%	25.44%	24.00%	26.36%	28.27%	30.80%	36.13%	38.83%
Ad Valorem Taxes	35.44%	37.77%	38.51%	36.97%	35.20%	31.74%	28.37%	26.28%	19.79%	19.02%
Federal Revenue, Non Operating	17.17%	14.57%	9.88%	7.90%	7.33%	8.43%	9.17%	8.97%	8.51%	6.63%
Gifts	0.00%	0.01%	0.06%	0.02%	0.05%	0.03%	0.12%	0.05%	0.06%	0.35%
Investment Income	0.14%	0.46%	0.30%	1.78%	2.42%	2.49%	1.76%	0.79%	0.49%	0.82%
Other Non-Operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.00%	0.00%	0.00%	0.02%
<b>Total Non-Operating Revenues</b>	<b>73.53%</b>	<b>74.18%</b>	<b>72.99%</b>	<b>72.11%</b>	<b>69.00%</b>	<b>69.17%</b>	<b>67.69%</b>	<b>66.89%</b>	<b>64.98%</b>	<b>65.67%</b>
<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>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Program Expenses by Function**  
**Last Ten Fiscal Years**  
(in Thousands)

	<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>
<b>Operating Expenses:</b>										
Instruction	\$116,847	\$107,782	\$96,583	\$87,363	\$82,398	\$71,282	\$66,173	\$62,765	\$58,996	\$59,776
Public Service	5,446	5,165	4,656	4,015	3,466	2,645	3,103	3,203	2,784	3,077
Academic Support	24,572	23,052	21,705	20,335	18,195	16,231	14,726	9,176	9,727	9,622
Student Services	24,034	21,871	20,070	17,225	14,779	11,453	10,686	12,110	11,362	11,144
Institutional Support	35,080	35,052	31,460	30,969	26,640	25,234	21,048	20,091	18,614	18,933
Operation and Maintenance of Plant	24,336	31,883	19,037	17,761	16,896	13,671	11,115	9,629	9,307	9,178
Scholarships and Fellowships	34,550	30,785	18,399	12,483	12,959	12,012	11,106	9,510	8,244	6,212
Auxiliary Enterprises	939	331	379	325	1,100	1,691	1,502	1,351	1,093	1,055
Depreciation	9,750	6,531	5,778	5,269	4,653	4,326	6,375	6,623	5,844	5,885
Total Operating Expenses	<u>275,554</u>	<u>262,452</u>	<u>218,067</u>	<u>195,745</u>	<u>181,086</u>	<u>158,545</u>	<u>145,834</u>	<u>134,458</u>	<u>125,971</u>	<u>124,882</u>
<b>Non-Operating Expenses:</b>										
Interest on Capital Related Debt	13,942	6,987	6,592	7,517	6,388	7,366	7,176	6,538	3,265	2,966
Other Non-Operating Expenses	-	-	-	-	-	-	-	30	9	-
Loss on Disposal of Capital Assets	88	-	9	7	17	-	279	689	373	271
Investment Loss	-	-	194	-	-	-	-	-	-	-
Total Non-Operating Expenses	<u>14,030</u>	<u>6,987</u>	<u>6,795</u>	<u>7,524</u>	<u>6,405</u>	<u>7,366</u>	<u>7,455</u>	<u>7,257</u>	<u>3,647</u>	<u>3,237</u>
Total Expenses	<u>\$289,584</u>	<u>\$269,439</u>	<u>\$224,862</u>	<u>\$203,269</u>	<u>\$187,491</u>	<u>\$165,911</u>	<u>\$153,289</u>	<u>\$141,715</u>	<u>\$129,618</u>	<u>\$128,119</u>
<b>Percentage of Total</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>
<b>Operating Expenses:</b>										
Instruction	40.35%	40.00%	42.95%	42.98%	43.95%	42.96%	43.17%	44.29%	45.52%	46.66%
Public Service	1.88%	1.92%	2.07%	1.98%	1.85%	1.59%	2.02%	2.26%	2.15%	2.40%
Academic Support	8.49%	8.56%	9.65%	10.00%	9.70%	9.78%	9.61%	6.47%	7.50%	7.51%
Student Services	8.30%	8.12%	8.93%	8.47%	7.88%	6.90%	6.97%	8.55%	8.77%	8.70%
Institutional Support	12.11%	13.01%	13.99%	15.24%	14.21%	15.21%	13.73%	14.18%	14.36%	14.78%
Operation and Maintenance of Plant	8.40%	11.83%	8.47%	8.74%	9.01%	8.24%	7.25%	6.79%	7.18%	7.16%
Scholarships and Fellowships	11.93%	11.43%	8.18%	6.14%	6.91%	7.24%	7.25%	6.71%	6.36%	4.85%
Auxiliary Enterprises	0.32%	0.12%	0.17%	0.16%	0.59%	1.02%	0.98%	0.95%	0.84%	0.82%
Depreciation	3.36%	2.42%	2.57%	2.59%	2.48%	2.62%	4.16%	4.68%	4.51%	4.59%
Total Operating Expenses	<u>95.16%</u>	<u>97.41%</u>	<u>96.98%</u>	<u>96.30%</u>	<u>96.58%</u>	<u>95.56%</u>	<u>95.14%</u>	<u>94.88%</u>	<u>97.19%</u>	<u>97.47%</u>
<b>Non-Operating Expenses:</b>										
Interest on Capital Related Debt	4.81%	2.59%	2.93%	3.70%	3.41%	4.44%	4.68%	4.61%	2.51%	2.32%
Other Non-Operating Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%
Loss on Disposal of Capital Assets	0.03%	0.00%	0.00%	0.00%	0.01%	0.00%	0.18%	0.49%	0.29%	0.21%
Investment Loss	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	<u>4.84%</u>	<u>2.59%</u>	<u>3.02%</u>	<u>3.70%</u>	<u>3.42%</u>	<u>4.44%</u>	<u>4.86%</u>	<u>5.12%</u>	<u>2.81%</u>	<u>2.53%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Tuition and Fees**

Last Ten Fiscal Years

**Resident**

**Fees per Semester Credit Hour (SCH)**

<b>Fiscal Year</b>	<b>In-District Tuition</b>	<b>Out-of-District Tuition</b>	<b>General Fee</b>	<b>Student Activity Fees (a)</b>	<b>Sustainability Fee</b>	<b>Cost for 12 SCH In-Dist</b>	<b>Cost for 12 SCH Out-of-Dist</b>	<b>Increase from Prior Yr In-District</b>	<b>Increase from Prior Yr Out-of-District</b>
2011	\$ 42	\$ 150	\$ 13	\$ 2	\$ 1	696	\$ 1,992	7.41%	9.21%
2010	39	137	13	2	-	648	1,824	0.00%	7.04%
2009	39	127	13	2	-	648	1,704	-3.57%	5.19%
2008	39	118	15	2	-	672	1,620	3.70%	8.00%
2007	39	110	13	2	-	648	1,500	1.89%	7.76%
2006	39	102	13	1	-	636	1,392	0.00%	4.50%
2005	39	97	13	1	-	636	1,332	19.77%	15.32%
2004	32	84	12	3	-	531	1,155	0.00%	3.22%
2003	32	81	12	3	-	531	1,119	2.31%	1.08%
2002	32	81	11	3	-	519	1,107	-2.26%	3.36%

**Non - Resident**

**Fees per Semester Credit Hour (SCH)**

<b>Fiscal Year</b>	<b>Non-Res Tuition Out-of-State</b>	<b>Non-Res Tuition Intl</b>	<b>General Fee</b>	<b>Student Activity Fees (a)</b>	<b>Sustainability Fee</b>	<b>Cost for 12 SCH Out of State</b>	<b>Cost for 12 SCH Intl</b>	<b>Increase from Prior Yr Out of State</b>	<b>Increase from Prior Yr Intl</b>
2011	\$ 288	\$ 288	\$ 13	\$ 2	\$ 1	3,648	\$ 3,648	1.33%	1.33%
2010	285	285	13	2	-	3,600	3,600	0.00%	0.00%
2009	285	285	13	2	-	3,600	3,600	2.39%	2.39%
2008	276	276	15	2	-	3,516	3,516	10.15%	10.15%
2007	251	251	13	2	-	3,192	3,192	31.03%	31.03%
2006	189	189	13	1	-	2,436	2,436	2.53%	2.53%
2005	184	184	13	1	-	2,376	2,376	8.05%	8.05%
2004	171	171	12	3	-	2,199	2,199	0.00%	0.00%
2003	171	171	12	3	-	2,199	2,199	3.97%	3.97%
2002	165	165	11	3	-	2,115	2,115	5.38%	5.38%

**Notes:**

To be comparable and consistent, this table reflects the rates from the Fall semester of each fiscal year. In addition to the above, various fees from \$5 to \$233 may be required.

(a) Student Fees changed to per hour after Fall 2004

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**State Appropriations per FTSE and Contact Hour**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>State Appropriation</b>	<b>FTSE (15 SCH)</b>	<b>State Appropriation per FTSE</b>	<b>Academic Contact Hours (a)</b>	<b>Voc/Tech Contact Hours (b)</b>	<b>Total Contact Hours</b>	<b>State Appropriation per Contact Hour</b>
2011	\$ 59,097,142	21,972	\$ 2,690	12,956,384	3,858,175	16,814,559	3.51
2010	59,133,878	20,000	2,957	12,144,888	3,578,718	15,723,606	3.76
2009	55,950,127	17,789	3,145	10,774,752	3,202,731	13,977,483	4.00
2008	55,451,405	17,032	3,256	9,816,472	3,088,583	12,905,055	4.30
2007	48,543,742	16,831	2,884	9,547,964	2,920,238	12,468,202	3.89
2006	44,739,020	15,715	2,847	9,197,704	2,757,194	11,954,898	3.74
2005	43,938,157	14,947	2,940	8,874,143	2,571,423	11,445,566	3.84
2004	43,523,089	14,900	2,921	8,854,081	2,659,773	11,513,854	3.78
2003	45,355,060	14,789	3,067	8,614,457	2,856,256	11,470,713	3.95
2002	47,456,842	14,005	3,389	8,444,048	2,610,858	11,054,906	4.29

**Sources:**

- (a) CBM001 from the Texas Higher Education Coordinating Board
- (b) CBM00A from the Texas Higher Education Coordinating Board

**Notes:**

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 15.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Assessed Value and Taxable Assessed Value of Property**  
Last Ten Fiscal Years

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 Direct Rate (a)
2011	\$ 124,833,360	\$19,963,728	\$ 104,869,632	84.01%	\$ 0.09000	\$ 0.00510	\$ 0.09510
2010	130,105,839	21,074,859	109,030,980	83.80%	0.09000	0.00460	0.09460
2009	109,645,790	16,667,307	92,978,483	84.80%	0.09000	0.00540	0.09540
2008	98,281,381	14,902,149	83,379,232	84.84%	0.09000	0.00580	0.09580
2007	84,941,603	13,819,387	71,122,216	83.73%	0.09000	0.00650	0.09650
2006	64,377,925	10,508,013	53,869,912	83.68% (b)	0.09000	0.00910	0.09910
2005	53,865,246	4,593,157	49,272,089	91.47%	0.08000	0.01000	0.09000
2004	52,270,533	3,865,041	48,405,492	92.61%	0.07000	0.00710	0.07710
2003	55,100,463	5,472,323	49,628,141	90.07%	0.05000	-	0.05000
2002	52,283,007	5,685,074	46,597,933	89.13%	0.05000	-	0.05000

**Source:**

Travis County and Williamson County Appraisal Districts

**Notes:**

Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

(b) Starting in tax year 2005, Travis County Appraisal District added property owned by the State of Texas to the Assessed Valuation of Property. These properties were not included in this amount for previous years and are exempt from taxation by the College.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Principal Taxpayers**  
**Last Ten Fiscal Years**

**Taxable Assessed Value (TAV) by Tax Year (in Thousands)**

Taxpayer	Type of Business	2011	2010	2009	2008	2007	2006	2005
Samsung Austin Semiconductor(a)	Manufacturing	\$ 1,000,506	\$ 1,389,942	\$ 853,031	\$ 304,088	\$ 258,950	\$ 184,496	\$ 223,153
Samsung (a)	Manufacturing	-	-	-	-	-	-	-
TPG-300 West 6th Street LLC	Real Estate	470,972	530,753	530,753	-	-	-	-
Freescale Semiconductor, Inc (b)	Manufacturing	337,666	-	-	-	156,113	184,794	-
Freescale Semiconductor (b)	Manufacturing	-	415,367	464,415	335,899	347,003	298,568	283,805
Applied Materials, Inc.	Manufacturing	284,469	392,680	486,079	539,389	404,655	344,333	362,318
Advanced Micro Devices Inc.	Manufacturing	257,777	282,338	224,626	-	-	-	-
Columbia/St Davids Health Care	Medical	253,067	232,463	-	-	-	-	-
IBM Corporation (a)	Manufacturing	233,764	253,136	260,769	-	-	141,921	163,209
IBM Corporation (a)	Manufacturing	-	-	-	-	-	119,554	114,230
Spansion LLC	Manufacturing	216,490	267,313	355,933	274,700	215,012	203,173	-
Dell, Inc.	Manufacturing	215,894	224,722	483,562	443,892	544,783	-	-
Dell USA LP	Manufacturing	-	-	-	186,656	153,676	119,398	-
Shopping Center at Gateway LP	Real Estate	202,486	-	221,999	-	-	-	-
Hewlett-Packard Company	Manufacturing	-	226,245	-	-	-	-	-
Flextronics	Manufacturing	-	-	239,315	197,365	-	-	-
Cisco Systems, Inc.	Manufacturing	-	-	-	254,768	-	-	-
Southwestern Bell Telephone	Telephone Utility	-	-	-	230,208	210,312	216,501	203,141
TX Frost Tower Office	Real Estate	-	-	-	176,566	-	-	-
Solectron Texas	Manufacturing	-	-	-	-	214,516	-	-
Cousins Properties Texas LP	Real Estate	-	-	-	-	147,389	-	-
National Instruments Corp	Manufacturing	-	-	-	-	-	114,968	101,732
Motorola (b)	Manufacturing	-	-	-	-	-	-	369,901
Time Warner Entertainment	Cable Comm	-	-	-	-	-	-	93,494
Minnesota Mining & Mfng	Manufacturing	-	-	-	-	-	-	78,945
Crescent Real Estate Funding V	Commercial	-	-	-	-	-	-	-
Metropolitan Life Insurance Co.	Commercial	-	-	-	-	-	-	-
Prudential Insurance Company	Commercial	-	-	-	-	-	-	-
<b>Totals</b>		<b>\$ 3,473,091</b>	<b>\$ 4,214,959</b>	<b>\$ 4,120,482</b>	<b>\$ 2,943,531</b>	<b>\$ 2,652,409</b>	<b>\$ 1,927,706</b>	<b>\$ 1,993,928</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 104,869,632</b>	<b>\$ 109,030,980</b>	<b>\$ 92,978,483</b>	<b>\$ 83,379,232</b>	<b>\$ 71,122,216</b>	<b>\$ 53,869,912</b>	<b>\$ 49,272,088</b>

**% of Taxable Assessed Value (TAV) by Tax Year**

Taxpayer	Type of Business	2011	2010	2009	2008	2007	2006	2005
Samsung Austin Semiconductor(a)	Manufacturing	0.95%	1.27%	0.92%	0.36%	0.36%	0.34%	0.45%
Samsung (a)	Manufacturing	-	-	-	-	-	-	-
TPG-300 West 6th Street LLC	Real Estate	0.45%	0.49%	0.57%	-	-	-	-
Freescale Semiconductor, Inc (b)	Manufacturing	0.32%	-	-	-	0.22%	0.34%	-
Freescale Semiconductor (b)	Manufacturing	-	0.38%	0.50%	0.40%	0.49%	0.55%	0.58%
Applied Materials, Inc.	Manufacturing	0.27%	0.36%	0.52%	0.65%	0.57%	0.64%	0.74%
Advanced Micro Devices Inc.	Manufacturing	0.25%	0.26%	0.24%	-	-	-	-
Columbia/St Davids Health Care	Medical	0.24%	0.21%	-	-	-	-	-
IBM Corporation (a)	Manufacturing	0.22%	0.23%	0.28%	-	-	0.26%	0.33%
IBM Corporation (a)	Manufacturing	-	-	-	-	-	0.22%	0.23%
Spansion LLC	Manufacturing	0.21%	0.25%	0.38%	0.33%	0.30%	0.38%	-
Dell, Inc.	Manufacturing	0.21%	0.21%	0.52%	0.53%	0.77%	-	-
Dell USA LP	Manufacturing	-	-	-	0.22%	0.22%	0.22%	-
Shopping Center at Gateway LP	Real Estate	0.19%	-	0.24%	-	-	-	-
Hewlett-Packard Company	Manufacturing	-	0.21%	-	-	-	-	-
Flextronics	Manufacturing	-	-	0.26%	0.24%	-	-	-
Cisco Systems, Inc.	Manufacturing	-	-	-	0.31%	-	-	-
Southwestern Bell Telephone	Telephone Utility	-	-	-	0.28%	0.30%	0.40%	0.41%
TX Frost Tower Office	Real Estate	-	-	-	0.21%	-	-	-
Solectron Texas	Manufacturing	-	-	-	-	0.30%	-	-
Cousins Properties Texas LP	Real Estate	-	-	-	-	0.20%	-	-
National Instruments Corp	Manufacturing	-	-	-	-	-	0.23%	0.21%
Motorola (b)	Manufacturing	-	-	-	-	-	-	0.75%
Time Warner Entertainment	Cable Comm	-	-	-	-	-	-	0.19%
Minnesota Mining & Mfng	Manufacturing	-	-	-	-	-	-	0.16%
Crescent Real Estate Funding V	Commercial	-	-	-	-	-	-	-
Metropolitan Life Insurance Co.	Commercial	-	-	-	-	-	-	-
Prudential Insurance Company	Commercial	-	-	-	-	-	-	-
<b>Totals</b>		<b>3.31%</b>	<b>3.87%</b>	<b>4.43%</b>	<b>3.53%</b>	<b>3.73%</b>	<b>3.58%</b>	<b>4.05%</b>

**Source:**

Travis and Williamson County Tax Assessor/Collector

**Notes:**

- (a) IBM and Samsung are listed as the taxpayer on several accounts on the appraisal district's records and they might be separate entities.
- (b) Beginning in 2006, Freescale is listed as the taxpayer on two separate accounts on the appraisal district's records and they might be separate corporations. Motorola is not listed anymore on the 2006 appraisal district's records. The new Freescale taxpayer listed in 2006 might be Motorola's SPS semiconductor division named "Freescale Semiconductor." This company was formed by the spin-off of Motorola's SPS semiconductor division in 2005.
- (c) Amounts for 2002 were obtained from Travis County appraisal district reports as of October 2006. The amounts reflected in this year have been adjusted and represent 2006 adjusted figures for those years.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

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	2004	2003	2002 (c)
\$	272,973	\$ 400,888	\$ 319,744
	-	-	134,332
	-	-	-
	-	-	-
	331,899	-	380,764
	277,245	243,028	445,205
	-	-	-
	-	-	-
	292,462	332,756	154,510
	-	-	117,542
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	89,141	-	-
	311,531	340,513	284,609
	-	-	-
	-	-	116,929
	-	-	-
	-	-	-
	459,628	1,016,296	803,394
	-	82,959	-
	88,455	110,164	126,672
	104,858	135,673	-
	103,298	124,814	-
	-	102,513	-
	<u>\$ 2,331,490</u>	<u>\$ 2,889,604</u>	<u>\$ 2,883,701</u>
	<u>\$ 48,405,492</u>	<u>\$ 49,628,141</u>	<u>\$ 46,597,933</u>

	2004	2003	2002
	0.56%	0.81%	0.69%
	-	-	0.29%
	-	-	-
	-	-	-
	0.69%	-	0.82%
	0.57%	0.49%	0.96%
	-	-	-
	-	-	-
	0.60%	0.67%	0.33%
	-	-	0.25%
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	0.18%	-	-
	0.64%	0.69%	0.61%
	-	-	-
	-	-	0.25%
	-	-	-
	-	-	-
	0.95%	2.05%	1.72%
	-	0.17%	-
	0.18%	0.22%	0.27%
	0.22%	0.27%	-
	0.23%	0.25%	-
	-	0.20%	-
	<u>4.82%</u>	<u>5.82%</u>	<u>6.19%</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Property Tax Levies and Collections**

Last Ten Fiscal Years

(in Thousands)

<b>Fiscal Year</b>	<b>Original Tax Levy</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy</b>	<b>Collection Year of Levy</b>	<b>Percentage of Levy</b>	<b>Prior Collections of Prior Levies</b>	<b>Current Collections of Prior Levies</b>	<b>Total Collections</b>	<b>Cumulative Collections of Adjusted Levy</b>
2011	\$100,447	\$ -	\$ 100,447	\$ 99,520	99.08%	\$ -	\$ -	\$ 99,520	99.08%
2010	104,074	(93)	103,981	102,956	98.93%	-	563	103,519	99.56%
2009	88,614	(143)	88,471	87,605	98.86%	476	102	88,183	99.67%
2008	80,144	(287)	79,857	79,341	99.00%	329	-	79,670	99.77%
2007	70,836	(243)	70,593	70,106	98.97%	341	2	70,449	99.80%
2006	53,567	(100)	53,467	52,950	98.85%	383	6	53,339	99.76%
2005	44,345	(29)	44,316	43,835	98.85%	401	3	44,239	99.83%
2004	37,321	(13)	37,308	36,840	98.71%	402	-	37,242	99.82%
2003	24,863	83	24,946	24,492	98.51%	407	2	24,901	99.82%
2002	23,323	(110)	23,213	22,881	98.10%	282	1	23,164	99.79%

**Sources:**

Travis County Tax Office - Overall Collection/Distribution Reports

Williamson County Tax Office - Recap & Standings Report

**Note:**

"Current collections" and "Prior collections" of prior levies do not include penalties and interest. They include tax collections net of tax reversals for the year.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
(in Thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>General Bonded Debt</b>										
General Obligation Bonds	\$ 95,169	\$ 96,399	\$ 97,268	\$ 98,135	\$ 98,749	\$ 98,342	\$ 98,930	\$ 99,417	\$ 75,591	\$ -
Less:										
Funds Restricted for Debt Service	194	191	188	177	123	109	39	105	80	-
Net General Bonded Debt	<u>\$ 94,975</u>	<u>\$ 96,208</u>	<u>\$ 97,080</u>	<u>\$ 97,958</u>	<u>\$ 98,626</u>	<u>\$ 98,233</u>	<u>\$ 98,891</u>	<u>\$ 99,312</u>	<u>\$ 75,511</u>	<u>\$ -</u>
<b>Other Debt</b>										
Revenue Bonds	\$125,759	\$ 76,340	\$ 46,966	\$ 49,526	\$ 51,736	\$ 53,408	\$ 54,263	\$ 52,872	\$ 54,089	\$ 55,291
Lease Revenue Bonds	152,423	120,365	121,732	122,064	-	-	-	-	-	-
Capital Lease Obligations	534	1,050	1,549	2,034	3,260	3,645	4,328	5,244	5,714	6,161
Total Other Debt	<u>278,716</u>	<u>197,755</u>	<u>170,247</u>	<u>173,624</u>	<u>54,996</u>	<u>57,053</u>	<u>58,591</u>	<u>58,116</u>	<u>59,803</u>	<u>61,452</u>
<b>Total Outstanding Debt</b>	<u><b>\$373,691</b></u>	<u><b>\$293,963</b></u>	<u><b>\$267,327</b></u>	<u><b>\$271,582</b></u>	<u><b>\$153,622</b></u>	<u><b>\$155,286</b></u>	<u><b>\$157,482</b></u>	<u><b>\$157,428</b></u>	<u><b>\$135,314</b></u>	<u><b>\$ 61,452</b></u>
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 55.70	\$ 56.42	\$ 58.69	\$ 100.54	\$ 107.09	\$ 110.60	\$ 113.69	\$ 115.86	\$ 88.75	\$ -
Per FTSE	4,323	4,810	5,457	5,751	5,860	6,251	6,616	6,665	5,106	-
As a % of Taxable Assessed Value	0.09%	0.09%	0.10%	0.12%	0.14%	0.18%	0.20%	0.21%	0.15%	-
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 219.16	\$ 172.40	\$ 161.61	\$ 278.73	\$ 166.80	\$ 174.84	\$ 181.04	\$ 183.65	\$ 159.04	\$ 72.64
Per FTSE	17,008	14,698	15,028	15,945	9,127	9,881	10,536	10,566	9,150	4,388
As a % of Taxable Assessed Value	0.36%	0.27%	0.29%	0.33%	0.22%	0.29%	0.32%	0.33%	0.27%	0.13%

**Notes:**

Ratios calculated using population and Tax Assessed Value from current year. Debt per student calculated using full-time-equivalent enrollment.

Fiscal year 2003 is the first year with financial information on general bonded debt. The College did not have general bonded debt prior to 2003.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

Legal Debt Margin Information

Fiscal Years 2003 to 2011

(in Thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Taxable Assessed Value</b>	<u>\$ 104,869,632</u>	<u>\$ 109,030,980</u>	<u>\$ 92,978,483</u>	<u>\$ 83,379,232</u>	<u>\$ 71,122,216</u>	<u>\$ 53,869,912</u>	<u>\$ 49,272,088</u>	<u>\$ 48,405,492</u>	<u>\$ 49,628,141</u>
<b>General Obligation Bonds</b>									
Statutory Tax Levy Limit for Debt Serv (1) (2)	\$ 524,348	\$ 545,155	\$ 464,892	\$ 416,896	\$ 355,611	\$ 269,350	\$ 246,360	\$ 242,027	\$ -
Less:									
Funds Restricted for Repayment of General Obligation Bonds	194	191	188	177	123	109	39	105	-
Net Statutory Tax Levy Limit for Debt Service	524,154	544,964	464,704	416,719	355,488	269,241	246,321	241,922	-
Current Year Debt Service Requirements	5,402	5,065	5,086	4,849	4,666	4,904	5,114	3,480	-
<b>Excess of Statutory Limit for Debt Service over Current Requirements</b>	<u>\$ 518,752</u>	<u>\$ 539,899</u>	<u>\$ 459,618</u>	<u>\$ 411,870</u>	<u>\$ 350,822</u>	<u>\$ 264,337</u>	<u>\$ 241,207</u>	<u>\$ 238,442</u>	<u>\$ -</u>
<b>Net Current Requirements as a % of Statutory Limit</b>	1.07%	0.96%	1.13%	1.21%	1.35%	1.86%	2.09%	1.48%	-

**Notes:**

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

(2) The year ended August 31, 2003 was the first year the College issued general obligation bonds.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Pledged Revenue Coverage**

**Last Ten Fiscal Years**

(in Thousands)

<b>Fiscal Year</b>	<b>Revenue Bonds</b>							
	<b>Pledged Revenues</b>				<b>Debt Service Requirements</b>			
	<b>Tuition</b>	<b>General Fees</b>	<b>Interest Income</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>
2011	\$ 16,237	\$ 11,155	\$ 369	\$27,761	\$ 3,545	\$ 3,072	\$ 6,617	4.20
2010	14,239	10,404	292	24,935	2,910	2,614	5,524	4.51
2009	1,311	6,386	859	8,556	2,810	1,969	4,779	1.79
2008	1,191	6,190	1,523	8,904	2,445	2,085	4,530	1.97
2007	1,156	5,629	2,681	9,466	1,920	2,179	4,099	2.31
2006	1,104	5,446	1,163	7,713	1,060	2,238	3,298	2.34
2005	1,188	5,274	113	6,575	605	2,451	3,056	2.15
2004	1,073	5,225	66	6,364	1,490	2,499	3,989	1.60
2003	1,110	5,140	208	6,458	1,460	2,570	4,030	1.60
2002	1,065	4,629	-	5,694	1,975	2,641	4,616	1.23

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

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**Demographic and Economic Statistics - Taxing District**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in Thousands)</b>	<b>Personal Income Per Capita</b>	<b>Unemployment Rate</b>
2011	(a)	(a)	(a)	7.6%
2010	1,705,075	\$ 64,014,645	\$ 37,544	7.3%
2009	1,654,100	\$ 61,800,403	\$ 37,362	7.5%
2008	1,592,590	\$ 59,305,518	\$ 37,238	4.7%
2007	1,527,040	\$ 55,636,235	\$ 36,434	4.1%
2006	1,464,563	\$ 51,058,588	\$ 34,863	4.6%
2005	1,419,137	\$ 46,134,871	\$ 32,509	4.7%
2004	1,382,675	\$ 43,104,097	\$ 31,174	5.3%
2003	1,353,122	\$ 41,908,425	\$ 30,972	6.3%
2002	1,324,344	\$ 42,489,015	\$ 32,083	6.2%

**Source:**

Texas Workforce Commission, Tracer Texas Labor Market Information,  
Austin - Round Rock - San Marcos, TX Metropolitan Statistical Area.

**Notes:**

(a) Not yet available

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Principal Employers**  
**Last Six Fiscal Years**

<b>Employer</b>	<b>2011</b>		<b>2010</b>		<b>2009</b>		<b>2008</b>		<b>2007</b>		<b>2006</b>	
	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>	<b>Employees</b>	<b>Employment</b>
Local Government	86,800	11.23%	83,800	11.01%	81,200	10.41%	75,900	9.96%	67,659	9.35%	70,294	10.14%
State Government	72,100	9.33%	72,000	9.46%	69,600	8.92%	68,100	8.94%	63,332	8.75%	69,436	10.02%
University of Texas at Austin	28,128	3.64%	16,156	2.12%	16,156	2.07%	16,919	2.22%	16,500	2.28%	16,298	2.35%
H.E.B.	14,882	1.93%	10,904	1.43%	6,746	0.86%	7,095	0.93%	n/a	n/a	n/a	n/a
Federal Government	12,300	1.59%	11,900	1.56%	11,700	1.50%	11,400	1.50%	9,911	1.37%	10,170	1.47%
Seton Healthcare Network	10,737	1.39%	9,793	1.29%	9,807	1.26%	6,743	0.88%	7,538	1.04%	7,393	1.07%
Dell Inc.	10,000	1.29%	16,000	2.10%	17,000	2.18%	17,000	2.23%	17,000	2.35%	24,600	3.55%
Wal-Mart Stores, Inc.	6,900	0.89%	6,900	0.91%	6,700	0.86%	6,500	0.85%	5,648	0.78%	5,027	0.73%
St. David's Healthcare Partnership	6,598	0.85%	6,043	0.79%	6,200	0.79%	6,219	0.82%	5,712	0.79%	5,000	0.72%
Freescale Semiconductor, Inc.	5,000	0.65%	4,300	0.56%	n/a	n/a	n/a	n/a	5,400	0.75%	5,600	0.81%
IBM Corporation	n/a	n/a	6,200	0.81%	6,239	0.80%	6,200	0.81%	6,300	0.87%	6,200	0.89%
<b>Total</b>	<b>253,445</b>	<b>32.79%</b>	<b>243,996</b>	<b>32.04%</b>	<b>231,348</b>	<b>29.65%</b>	<b>222,076</b>	<b>29.14%</b>	<b>205,000</b>	<b>28.33%</b>	<b>220,018</b>	<b>31.75%</b>

**Sources:**

Austin Business Journal, Book of Lists 2011, 2010, 2009, 2008 and 2007  
Texas Workforce Commission  
Austin American Statesman, Monday, July 17, 2006  
Austin Business Journal 2006  
Greater Austin Chamber of Commerce, June 2005

**Note:**

The College presented this schedule starting fiscal year 2006 and chose to implement prospectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Faculty, Staff, and Administrators Statistics**

Last Ten Fiscal Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Faculty:</b>										
Full-Time	624	592	526	498	467	444	448	416	421	424
Part-Time	1,460	1,401	1,316	1,224	1,187	1,157	1,040	1,181	1,056	1,058
Total	<u>2,084</u>	<u>1,993</u>	<u>1,842</u>	<u>1,722</u>	<u>1,654</u>	<u>1,601</u>	<u>1,488</u>	<u>1,597</u>	<u>1,477</u>	<u>1,482</u>
<b>Percent:</b>										
Full-Time	29.9%	29.7%	28.6%	28.9%	28.2%	27.7%	30.1%	26.0%	28.5%	28.6%
Part-Time	70.1%	70.3%	71.4%	71.1%	71.8%	72.3%	69.9%	74.0%	71.5%	71.4%
<b>Staff and Administrators:</b>										
Full-Time	1,282	1,215	1,118	925	888	855	814	766	762	751
Part-Time	173	174	175	141	145	136	137	143	142	141
Total	<u>1,455</u>	<u>1,389</u>	<u>1,293</u>	<u>1,066</u>	<u>1,033</u>	<u>991</u>	<u>951</u>	<u>909</u>	<u>904</u>	<u>892</u>
<b>Percent:</b>										
Full-Time	88.1%	87.5%	86.5%	86.8%	86.0%	86.3%	85.6%	84.3%	84.3%	84.2%
Part-Time	11.9%	12.5%	13.5%	13.2%	14.0%	13.7%	14.4%	15.7%	15.7%	15.8%
FTSE per Full-time Faculty	35.2	33.8	33.8	34.2	36.0	35.4	33.4	35.8	35.1	33.0
FTSE per Full-Time Staff	17.1	16.5	15.9	18.4	19.0	18.4	18.4	19.5	19.4	16.4
Average Annual Faculty Salary	\$62,124	\$63,123	\$62,895	\$61,194	\$60,068	\$57,909	\$56,352	\$53,077	\$50,044	\$48,872

**Sources:**

ACC Office of Institutional Effectiveness

TCCTA Survey of Faculty Salaries



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**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Enrollment Details**

**Last Ten Fiscal Years**

<b>Student Classification</b>	<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>		<b>Fall 2007</b>		<b>Fall 2006</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
00-30 hours	29,920	71.95%	27,602	72.92%	24,397	72.33%	23,237	73.02%	23,479	74.27%
31-60 hours	9,429	22.68%	8,278	21.88%	7,555	22.40%	7,012	22.04%	6,624	20.96%
>60 hours	2,233	5.37%	1,970	5.20%	1,776	5.27%	1,573	4.94%	1,507	4.77%
<b>Total</b>	<b>41,582</b>	<b>100.00%</b>	<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>

<b>Semester Hour Load</b>	<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>		<b>Fall 2007</b>		<b>Fall 2006</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 3	519	1.25%	439	1.16%	391	1.16%	396	1.24%	427	1.36%
3-5 semester hours	9,591	23.07%	8,951	23.65%	7,876	23.35%	7,383	23.20%	7,701	24.36%
6-8 Semester hours	13,138	31.60%	11,715	30.95%	10,599	31.42%	9,667	30.38%	9,253	29.27%
9-11 semester hours	8,205	19.73%	7,344	19.40%	6,368	18.88%	5,870	18.45%	5,626	17.80%
12-14 semester hours	8,739	21.02%	8,194	21.65%	7,254	21.51%	7,235	22.74%	7,363	23.29%
15-17 semester hours	1,247	3.00%	1,070	2.83%	1,119	3.32%	1,149	3.61%	1,111	3.51%
18 & over	143	0.33%	137	0.36%	121	0.36%	122	0.38%	129	0.41%
<b>Total</b>	<b>41,582</b>	<b>100.00%</b>	<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>

<b>Average course load</b>	7.93	7.93	7.91	8.03	7.99
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<b>Tuition Status</b>	<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>		<b>Fall 2007</b>		<b>Fall 2006</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Texas Resident (In-District)	30,112	72.42%	27,587	72.89%	24,101	71.45%	21,153	66.47%	21,256	67.24%
Texas Resident (Out-of-District)	6,422	15.44%	5,909	15.61%	5,659	16.78%	7,075	22.23%	6,802	21.52%
Non-Resident Tuition (a)	953	2.29%	856	2.26%	816	2.42%	831	2.61%	956	3.02%
Other (b)	4,095	9.85%	3,498	9.24%	3,152	9.35%	2,763	8.69%	2,596	8.22%
<b>Total</b>	<b>41,582</b>	<b>100.00%</b>	<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>

**Source:**

ACC Office of Institutional Effectiveness

**Notes:**

- (a) Non-resident includes students whose legal residence is not Texas.
- (b) Other includes students with tuition exemptions and waivers.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

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Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
22,491	73.74%	21,327	73.53%	19,187	66.48%	22,053	75.64%	21,053	76.34%
6,614	21.69%	6,396	22.05%	7,977	27.64%	5,952	20.41%	5,460	19.80%
1,394	4.57%	1,281	4.42%	1,698	5.88%	1,151	3.95%	1,064	3.86%
<u>30,499</u>	<u>100.00%</u>	<u>29,004</u>	<u>100.00%</u>	<u>28,862</u>	<u>100.00%</u>	<u>29,156</u>	<u>100.00%</u>	<u>27,577</u>	<u>100.00%</u>

Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
415	1.36%	429	1.48%	395	1.37%	390	1.34%	410	1.49%
8,680	28.46%	8,253	28.45%	8,335	28.88%	8,912	30.57%	8,443	30.62%
8,117	26.61%	7,689	26.51%	7,534	26.10%	7,568	25.96%	6,984	25.33%
5,659	18.55%	5,435	18.74%	5,413	18.75%	5,209	17.87%	4,993	18.11%
6,504	21.33%	6,052	20.87%	6,015	20.84%	5,900	20.24%	5,590	20.27%
1,027	3.37%	1,028	3.54%	1,066	3.69%	1,055	3.61%	1,041	3.77%
97	0.32%	118	0.41%	104	0.37%	122	0.41%	116	0.41%
<u>30,499</u>	<u>100.00%</u>	<u>29,004</u>	<u>100.00%</u>	<u>28,862</u>	<u>100.00%</u>	<u>29,156</u>	<u>100.00%</u>	<u>27,577</u>	<u>100.00%</u>

7.97                      7.91                      7.93                      7.61                      7.62

Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
21,227	69.60%	19,674	67.83%	20,410	70.71%	20,616	70.71%	19,689	71.40%
6,105	20.02%	6,719	23.17%	5,798	20.09%	5,783	19.83%	5,537	20.08%
858	2.81%	814	2.80%	938	3.25%	948	3.25%	996	3.61%
2,309	7.57%	1,797	6.20%	1,716	5.95%	1,809	6.21%	1,355	4.91%
<u>30,499</u>	<u>100.00%</u>	<u>29,004</u>	<u>100.00%</u>	<u>28,862</u>	<u>100.00%</u>	<u>29,156</u>	<u>100.00%</u>	<u>27,577</u>	<u>100.00%</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Student Profile**

**Last Ten Fiscal Years**

<b>Gender</b>	<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>		<b>Fall 2007</b>		<b>Fall 2006</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Female	18,562	44.64%	21,115	55.79%	19,055	56.50%	18,033	56.67%	17,670	55.90%
Male	23,020	55.36%	16,735	44.21%	14,673	43.50%	13,789	43.33%	13,940	44.10%
<b>Total</b>	<b>41,582</b>	<b>100.00%</b>	<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>

<b>Ethnic Origin</b>	<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>		<b>Fall 2007</b>		<b>Fall 2006</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
White	22,466	54.03%	21,720	57.38%	19,580	58.05%	18,884	59.34%	18,648	58.99%
Hispanic	11,067	26.61%	9,440	24.94%	8,316	24.66%	7,475	23.49%	7,696	24.35%
African American	3,698	8.89%	3,263	8.62%	2,753	8.16%	2,498	7.85%	2,405	7.61%
Asian/Pacific Islander	2,503	6.02%	2,026	5.35%	1,876	5.56%	1,651	5.19%	1,506	4.76%
Am.Indian/Alaskan Native	44	0.11%	333	0.88%	287	0.85%	279	0.88%	277	0.88%
Non-Resident Alien	183	0.44%	476	1.26%	477	1.41%	564	1.77%	634	2.01%
Other/Unknown	1,621	3.90%	592	1.57%	439	1.31%	471	1.48%	444	1.40%
<b>Total</b>	<b>41,582</b>	<b>100.00%</b>	<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>

<b>Age</b>	<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>		<b>Fall 2007</b>		<b>Fall 2006</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 18	3,247	7.81%	2,913	7.70%	2,718	8.06%	2,427	7.63%	2,211	6.99%
18 -21	14,371	34.56%	13,765	36.37%	13,016	38.59%	12,513	39.32%	12,318	38.97%
22 - 24	6,345	15.26%	5,822	15.38%	5,115	15.17%	4,948	15.55%	5,074	16.05%
25 - 35	11,508	27.68%	10,017	26.46%	8,493	25.18%	7,833	24.62%	7,993	25.29%
36 - 50	4,891	11.76%	4,296	11.35%	3,553	10.53%	3,348	10.52%	3,304	10.45%
51 & over	1,220	2.93%	1,037	2.74%	833	2.47%	753	2.36%	710	2.25%
<b>Total</b>	<b>41,582</b>	<b>100.00%</b>	<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>

<b>Average Age</b>	26.0	25.8	25.3	25.3	25.3
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**Source:**

ACC Office of Institutional Effectiveness

**AUSTIN COMMUNITY COLLEGE DISTRICT  
Austin, Texas**

**STATISTICAL SECTION  
(UNAUDITED)**

Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
17,187	56.35%	16,341	56.34%	16,187	56.08%	16,103	55.23%	15,085	54.70%
13,315	43.65%	12,663	43.66%	12,675	43.92%	13,053	44.77%	12,492	45.30%
<u>30,502</u>	<u>100.00%</u>	<u>29,004</u>	<u>100.00%</u>	<u>28,862</u>	<u>100.00%</u>	<u>29,156</u>	<u>100.00%</u>	<u>27,577</u>	<u>100.00%</u>

Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
18,265	59.88%	17,552	60.52%	17,463	60.51%	17,688	60.67%	17,141	62.16%
7,156	23.46%	6,514	22.46%	6,314	21.88%	6,297	21.60%	5,842	21.18%
2,238	7.34%	2,056	7.09%	2,023	7.01%	1,923	6.60%	1,820	6.60%
1,481	4.86%	1,465	5.05%	1,515	5.25%	1,706	5.85%	1,698	6.16%
219	0.72%	221	0.76%	252	0.87%	272	0.93%	242	0.88%
659	2.16%	703	2.42%	735	2.55%	641	2.20%	828	3.00%
484	1.58%	493	1.70%	560	1.93%	629	2.15%	6	0.02%
<u>30,502</u>	<u>100.00%</u>	<u>29,004</u>	<u>100.00%</u>	<u>28,862</u>	<u>100.00%</u>	<u>29,156</u>	<u>100.00%</u>	<u>27,577</u>	<u>100.00%</u>

Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1,993	6.53%	1,530	5.28%	1,481	5.13%	1,589	5.45%	1,203	4.36%
11,766	38.57%	11,100	38.27%	11,193	38.78%	11,327	38.85%	11,040	40.03%
5,105	16.74%	5,039	17.37%	4,889	16.94%	4,846	16.62%	4,610	16.72%
7,729	25.34%	7,561	26.07%	7,530	26.09%	7,471	25.62%	6,875	24.93%
3,214	10.54%	3,127	10.78%	3,181	11.02%	3,298	11.31%	3,243	11.76%
695	2.28%	647	2.23%	588	2.04%	625	2.15%	606	2.20%
<u>30,502</u>	<u>100.00%</u>	<u>29,004</u>	<u>100.00%</u>	<u>28,862</u>	<u>100.00%</u>	<u>29,156</u>	<u>100.00%</u>	<u>27,577</u>	<u>100.00%</u>

25.4

25.6

25.6

25.6

25.7

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Transfers to Senior Institutions**

**2009-2010 Students as of Fall 2010**

(Includes only public senior colleges in Texas)

	Transfer Student Count (Academic)	Transfer Student Count (Technical)	Transfer Student Count (Tech-Prep)	Total of all ACC Transfer Students	% of all ACC Transfer Students
1 The University of Texas at Austin	3,455	535	430	4,420	42.86%
2 Texas State University - San Marcos	2,427	417	343	3,187	30.90%
3 Texas A&M University	438	-	71	509	4.94%
4 The University of Texas at San Antonio	290	81	59	430	4.17%
5 Texas Tech University	276	71	60	407	3.95%
6 University of North Texas	142	25	18	185	1.79%
7 University of Houston	91	11	9	111	1.08%
8 Texas A&M International University	2	104	1	107	1.04%
9 The University of Texas at Arlington	66	24	12	102	0.99%
10 Texas A&M University - Corpus Christi	64	13	17	94	0.91%
11 The University of Texas at Dallas	50	13	13	76	0.74%
12 Sam Houston State University	53	4	17	74	0.72%
13 Angelo State University	39	13	9	61	0.59%
14 Stephen F. Austin State University	40	12	6	58	0.56%
15 Tarleton State University	36	8	8	52	0.50%
16 Texas Tech University Health Sciences Center	26	16	6	48	0.47%
17 Texas Woman's University	22	5	7	34	0.33%
18 The University of Texas Health Science Center at San Antonio	22	6	1	29	0.28%
19 Prairie View A&M University	12	8	6	26	0.25%
20 The University of Texas - Pan American	17	5	2	24	0.23%
21 Texas A&M University at Galveston	17	2	2	21	0.20%
22 The University of Texas at Tyler	14	5	2	21	0.20%
23 Lamar University	12	6	2	20	0.19%
24 The University of Texas at El Paso	14	4	1	19	0.18%
25 Texas A&M University - Kingsville	13	3	2	18	0.17%
26 University of Houston - Victoria	14	4	-	18	0.17%
27 The University of Texas Medical Branch at Galveston	13	3	1	17	0.16%
28 University of Houston - Downtown	10	3	1	14	0.14%
29 Texas A&M University - Commerce	7	2	4	13	0.13%
30 Texas A&M University System Health Science Center	10	2	1	13	0.13%
31 West Texas A&M University	8	2	2	12	0.12%
32 The University of Texas Health Science Center at Houston	5	5	1	11	0.11%
33 Midwestern State University	8	1	1	10	0.10%
34 Sul Ross State University	7	2	1	10	0.10%
35 University of Houston - Clear Lake	9	1	-	10	0.10%
36 Texas Southern University	4	3	2	9	0.09%
37 The University of Texas of the Permian Basin	6	2	1	9	0.09%
38 University of North Texas Health Science Center at Fort Worth	7	-	2	9	0.09%
39 Texas A&M University - Central Texas	5	1	-	6	0.06%
40 The University of Texas at Brownsville	2	4	-	6	0.06%
41 Baylor College of Medicine	3	-	-	3	0.03%
42 The University of Texas Southwestern Medical Center	3	-	-	3	0.03%
43 Texas A&M University - Texarkana	2	-	-	2	0.02%
44 Texas A&M University - San Antonio	-	1	1	2	0.02%
45 The University of Texas M.D. Anderson Cancer Center	1	-	-	1	0.01%
<b>Totals</b>	<b>7,762</b>	<b>1,427</b>	<b>1,122</b>	<b>10,311</b>	<b>100.00%</b>

**Source:**

Texas Higher Education Coordinating Board's Automated Student and Adult Learner Follow-Up System

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

Capital Asset Information  
**Last Ten Fiscal Years**

	<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>
Academic Buildings	38	35	29	28	27	26	26	25	22	22
Square footage (in thousands)	2,084	1,610	1,166	1,161	1,137	1,026	1,026	955	828	827
Administrative and Support Buildings	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	168	168	168	168	168	168	168	168	168	168
Portable Buildings	10	10	10	10	10	10	10	10	10	9
Fall Arrest System Structures	2	1	-	-	-	-	-	-	-	-
Parking Garages	2	2	2	1	1	-	-	-	-	-
Transportation										
Cars	39	37	31	28	26	19	18	18	15	13
Light Trucks/Vans	75	79	75	65	64	57	55	48	47	46
Other	10	-	-	1	1	1	1	1	1	1

**Source:**

ACC Fact Book

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# Federal Single Audit Section



**Report of Independent Certified Public Accountants on Internal Control Over  
Financial Reporting and on Compliance and Other Matters**

**Audit • Tax • Advisory**

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Board of Trustees  
Austin Community College District

We have audited the basic financial statements of Austin Community College District (the “District”) as of and for the year ended August 31, 2011, and have issued our report thereon dated December 8, 2011. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Austin Community College Foundation, Inc. (the “Foundation”), as described in our report on the District’s financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we express no such opinion.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the District’s internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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### Compliance and Other Matters

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

### Texas Public Funds Investment Act

We also performed tests of the District's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). The results of our tests disclosed no instances of non-compliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and accordingly, we do not express such an opinion.

This report is intended solely for the information and use of management, the board of trustees, others within the District, regulatory agencies, 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.

GRANT THORNTON LLP

Dallas, Texas  
December 8, 2011

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**Report of Independent Certified Public Accountants on Compliance  
Related to Major Programs (OMB Circular A-133) and on Internal Control Over Compliance**

Audit • Tax • Advisory

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Board of Trustees  
Austin Community College District

Compliance

We have audited the compliance of Austin Community College District (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011. The District’s major federal programs are identified in the summary of auditors’ 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 programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

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

In our opinion, Austin Community College District 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 programs for the year ended August 31, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District’s internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing audit procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, we express no such opinion.

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

Our consideration of internal control would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the District's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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

GRANT THORNTON LLP

Dallas, Texas  
December 8, 2011



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**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**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>
<u>U.S. Department of Education</u>			
Direct Programs:			
Federal Supplemental Education Opportunity Grants	(1) 84.007	P0074A103960	\$ 581,760
Federal Work-Study Program	(1) 84.033	-	483,786
Federal Pell Grant Program	(1) 84.063	-	47,415,378
Business and International Education Projects	84.153A	P153A070012	3,053
Federal Direct Student Loans	(1) 84.268	P268K113500	47,027,613
Academic Competitiveness Grants	(1) 84.375	-	761,709
Pass-Through From:			
Texas Education Agency			
Adult Education Basic Grants to States (10-11)	84.002A	114100017110351	972,927
Adult Education Basic Grants to States (11-12)	84.002A	124100017110438	83,756
Adult Education Basic Grants to States (10-11)	84.002A	114100087110396	98,205
Adult Education Basic Grants to States (11-12)	84.002A	124100087110420	1,559
			1,156,447
Career and Technical Education - Basic Grants to States	84.048A	2714	146,790
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	114205	1,118,121
Career and Technical Education - Basic Grants to States	84.048	P11095	523,566
			1,641,687
Leveraging Educational Assistance Partnerships	84.069A	-	25,286
Special Leveraging Educational Assistance Partnerships	84.069B	-	34,485
Byrd Honors Scholarships	84.185A	-	1,500
Tech-Prep Education	84.243	101704	364,953
College Access Challenge Grant Program	84.378	2509	150,729
College Access Challenge Grant Program	84.378	P378A090023	3,000
College Access Challenge Grant Program	84.378A	06021	9,747
			163,476
University of Texas			
Mathematics and Science Partnerships (09-10)	84.366B	UTA10-000315	126,683
South West Key			
Fund for the Improvement of Education	84.215J	-	8,483
<b>Total U.S. Department of Education</b>			<b>99,943,089</b>
<u>U.S. Department of Agriculture</u>			
Pass-Through From:			
Texas Department of State Health Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2011-037248	40,381
<b>Total U.S. Department of Agriculture</b>			<b>40,381</b>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**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>
<u>U.S. Department of Labor</u>			
Direct Programs:			
Women's Bureau	17.700	DOLB09F421990	\$ 4,740
Pass-Through From:			
Workforce Solutions			
ARRA WIA Adult Program	(2) 17.258	ACC ARRA 09	125
ARRA WIA Dislocated Workers	(2) 17.260	ACC ARRA 09	125
Texas WorkForce Commission			
ARRA WIA Youth Activities	(2) 17.259	1410XSW001	879,329
WIA Adult Program	(2) 17.258	1411WSW001	16,990
Skillpoint Alliance			
ARRA Employment Service/Wagner-Peyser Funded Activities	17.207	-	176,619
Goodwill Industries of Central Texas			
ARRA Program of Competetive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	-	115,037
<b>Total U.S. Department of Labor</b>			<u>1,192,965</u>
<u>National Endowment for the Arts</u>			
Pass-Through From:			
Art Midwest			
Promotion of the Arts-Grants to Organizations and Individuals	45.024	93681	17,050
Texas Commission on Arts			
Promotion of the Arts-Partnership Agreements	45.025	10050585	250
<b>Total National Endowment for the Arts</b>			<u>17,300</u>
<u>National Endowment for the Humanities</u>			
Pass-Through From:			
Humanities Texas			
Promotion of the Humanities Federal/State Partnerships	45.129	2011-4053	3,389
<b>Total National Endowment for the Humanities</b>			<u>3,389</u>
<u>National Science Foundation</u>			
Direct Programs:			
Education and Human Resources	(3) 47.076	DUE-0965872	31,895
Education and Human Resources	(3) 47.076	DUE-1103578	42
Pass-Through From:			
City College of San Francisco			
Education and Human Resources	(3) 47.076	FIO07/29/10	63,435
Education and Human Resources	(3) 47.076	FIO101118-B3-N	10,788
<b>Total National Science Foundation</b>			<u>106,160</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**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>
<u>Department of Energy</u>			
Pass-Through From:			
National Energy Technology Laboratory ARRA Electricity Delivery and Energy Reliability, Research, Development & Analysis	81.122	DE-OE0000426	77,640
Pass-Through From:			
State Energy Conservation Office ARRA State Energy Program	81.041	CS0029	451,323
ARRA State Energy Program	81.041	CS1075	611,195
Texas Comptroller of Public Accounts ARRA State Energy Program	81.041	CS0092	301,052
<b>Total Department of Energy</b>			<u>1,441,210</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Texas Education Agency Temporary Assistance for Needy Families (10-11)	93.558	113625017110329	281,592
Workforce Solution Child Care Services ARRA-Child Care and Development Block Grant	93.713	-	114,566
Health Resources and Services Administration Nursing Workforce Diversity	93.178	1D19HP14602-01-00	437,706
Dallas Community College ARRA Health Information Technology Professionals in Health Care	93.721	90CC007801	122,671
<b>Total U.S. Department of Health and Human Services</b>			<u>956,535</u>
<b>Total Federal Financial Assistance</b>			<u><u>\$ 103,701,029</u></u>

**Footnotes:**

- (1) Student Financial Aid Cluster  
(2) WIA Program Cluster  
(3) Education and Human Resources Cluster

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended August 31, 2011**

---

**NOTE 1: FEDERAL ASSISTANCE RECONCILIATION**

Federal Grants and Contracts Revenue - per Schedule of Operating Revenues (Schedule A)	\$ 7,850,298
Federal Revenue, Non Operating - per Schedule of Non-Operating Revenues and Expenses (Schedule C)	48,823,118
Federal Direct Student Loans	47,027,613
Total Federal Revenues per Schedule of Expenditures of Federal Awards (Schedule E)	<u>\$ 103,701,029</u>

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING 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.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended August 31, 2011**

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

The following amounts were passed-through to the listed sub-recipients by the College. These amounts were from the *Tech-Prep education program* CFDA #84.243 from the U.S. Department of Education, through the Texas Higher Education Coordinating Board agency:

Austin Independent School District - Treasury Department	\$	8,782
Bastrop Independent School District		2,373
Blanco Independent School District		1,182
Earnes Independent School District		2,847
Elgin Independent School District		2,456
Florence Independent School District		1,568
Georgetown Independent School District		3,417
Hays Independent School District		2,652
Johnson City Independent School District		1,175
Jarrell Independent School District		1,106
Lake Travis Independent School District		4,282
Leander Independent School District		5,155
Lexington Independent School District		1,548
Liberty Hill Independent School District		2,055
LockHart Independent School District		2,762
Luling Independent School District		419
Manor Independent School District		2,654
Pflugerville Independent School District		4,597
Round Rock Independent School District		8,873
San Marcos Consolidated Independent School District		2,641
Smithville Independent School District		1,570
Thrall Independent School District		1,139
Total	<u>\$</u>	<u>65,253</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2011**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

***Federal Awards:***

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified that are not considered to be material weakness?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

***Identification of Major Programs:***

<u>Federal CFDA Number</u>	<u>Name of Federal Program</u>
17.207	ARRA – Employment Service/Wagner-Peyser Funded Activities – Employment Services Cluster
17.258, 17.259, 17.260	ARRA – WIA Cluster
81.041	ARRA – State Energy Program
84.007, 84.033, 84.063, 84.268, 84.375	Student Financial Aid Cluster
93.713	ARRA – Child Care and Development Block Grant – Child Care (CCDF) Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2011**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2011.

**SECTION III - FEDERAL AWARDS FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2011.



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# State Single Audit Section



**Report of Independent Certified Public Accountants on Compliance  
Related to Major Programs (State of Texas Single Audit Circular) and on  
Internal Control Over Compliance**

Audit • Tax • Advisory  
**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667  
T 214.561.2300  
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Board of Trustees  
Austin Community College District

Compliance

We have audited the compliance of Austin Community College District (the “District”) with the types of compliance requirements described in the State of Texas Single Audit Circular that could have a direct and material effect on each of its major state programs for the year ended August 31, 2011. The District’s major state programs are identified in the summary of auditors’ 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 state programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

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

In our opinion, Austin Community College District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the District’s internal control over compliance with requirements that could have a direct and material effect on a major state program as a basis for designing audit procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, we express no such opinion.

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

Our consideration of internal control would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the District's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

This report is intended solely for the information and use of management, the board of trustees, others within the District, regulatory agencies, 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.

GRANT THORNTON LLP

Dallas, Texas  
December 8, 2011

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**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For The Year Ended August 31, 2011

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Total Expenditures</u>
<u>Texas Higher Education Coordinating Board (THECB)</u>		
Accelerated Developmental Education Pilot Project	CMS-2357	\$ 2,267
Alternative Teacher Certification	04091	37,335
Intensive Summer Program Category C	1417	20,908
Intensive College Readiness Programs for Adult Education Students	4013	58,079
Texas B-On Time Loan Program	-	71,547
Texas Grant Fund	PCA-13099	1,263,602
Top 10% Scholarship	PCA-20356	38,000
Fifth Year Accounting Scholarship	-	15,636
Jet Scholarship	-	79,433
Texas Education Opportunity Grant	PCA-13399	354,245
Texas College Work Study	PCA-22339	72,337
College Readiness Model Vertical Alignment Project	2353	71,689
Nursing Shortage Reduction Program	-	29,979
Nursing Shortage Reduction Program Over 70	-	3,572
Master College Readiness Special Advisor Program	2360	135,342
Work Study Student Mentorship Program (G-Force)	2475	89,120
Professional Nursing Scholarship	PCA-13025	18,875
Professional Nursing Shortage Reduction Program-Regular	-	176,736
Vocational Nursing Scholarship	PCA-13026	5,695
Adult Basic Education Innovation	-	156,390
Pass-Through From:		
University of Texas Health Science Center @ Houston		
University of TX Health Science	0007828B	9,821
Total of THECB		<u>2,710,608</u>
<u>Texas Education Agency</u>		
Adult Education	100100017110317	153,643
Adult Education	110100017110351	322,710
Drop Out Recovery Performance	081045587110004	949
Pass-Through From:		
University of Texas		
TRC-BTIM	UTA11-000096	1,456
Total of Texas Education Agency		<u>478,758</u>
<u>Texas Comptroller of Public Accounts</u>		
Jobs & Education for Texas	CMD 10-3595-8ch	37,467
Jobs & Education for Texas	4807-4	98,350
Jobs & Education for Texas	4814-2	42,450
Total Texas Comptroller of Public Accounts		<u>178,267</u>
<u>Texas LEOSE</u>		
Law Enforcement Education	-	200
<u>Texas Workforce Commission</u>		
Partnership with Rainmaker Systems, Inc.	1409SDF000	61,773
Partnership with National Instruments	1409SDF001	12,925
Partnership with Applied Biosystems, LLC	1410SDF000	202,356
Skills for Small Businesses	1411SSD000	16,356
Pass-Through From:		
Texas State Technical College		
Texas State Technical College - HCA	-	456,013
Lone Star College Systems		
Lone Star SDF	-	93,952
Total Texas Workforce Commission		<u>843,375</u>
<u>State Energy Conservation Office</u>		
Train The Trainer	CM922	1,338
<u>Texas Department of State Health Services</u>		
Department of State Health Services	2011-037356	2,374
<b>Total Expenditures of State Awards</b>		<u>\$ 4,214,920</u>

Notes to Schedule on Following Page

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For The Year Ended August 31, 2011**

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**NOTE 1: STATE ASSISTANCE RECONCILIATION**

State Grants and Contracts Revenue - per Schedule of Operating Revenues (Schedule A)	\$ 4,214,920
Reconciling Items	<u>-</u>
Total State Revenues per Schedule of Expenditures of State Awards (Schedule F)	<u>\$ 4,214,920</u>

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING SCHEDULE**

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 in the Notes to Basic Financial Statements for the College's significant accounting policies. 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.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2011**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

***State Awards:***

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified that are not considered to be material weakness?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the State of Texas Single Audit Circular?	No

***Identification of Major Programs:***

<u>State Identifying Number</u>	<u>Name of State Program</u>
100100017110317	Adult Education
110100017110351	
PCA-13099	Texas Grant Fund

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2011**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2011.

**SECTION III - STATE AWARDS FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2011.



Austin Community College District  
Business Services  
5930 Middle Fiskville Road  
Austin, Texas 78752