

Austin Community College Foundation
Financial Statements and
Independent Auditors' Report
May 31, 2011 and 2010

Austin Community College Foundation

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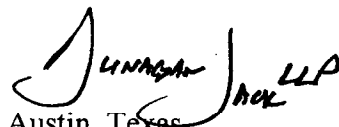
INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Austin Community College Foundation

We have audited the accompanying statement of financial position of Austin Community College Foundation (a Texas nonprofit corporation) as of May 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Austin Community College Foundation as of May 31, 2010, were audited by other auditors whose report dated August 25, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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


Austin, Texas
July 28, 2011

FINANCIAL STATEMENTS

Austin Community College Foundation
STATEMENTS OF FINANCIAL POSITION

May 31,

	2011	2010
ASSETS		
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
LIABILITIES AND NET ASSETS		
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 these financial statements.

Austin Community College Foundation

STATEMENT OF ACTIVITIES

For the year ended May 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Contributions	\$ 27,854	\$ 588,900	\$ 2,144,500	\$ 2,761,254
Interest and dividends	12,141	62,450	-	74,591
Realized and unrealized gains (losses)	68,369	251,304	-	319,673
Net assets released from restrictions	474,474	(474,474)	-	-
Total revenues and other support	<u>582,838</u>	<u>428,180</u>	<u>2,144,500</u>	<u>3,155,518</u>
Expenses				
Program services	492,680	-	-	492,680
General and administrative	11,021	-	-	11,021
Fundraising	2,500	-	-	2,500
Total expenses	<u>506,201</u>	<u>-</u>	<u>-</u>	<u>506,201</u>
Change in net assets	76,637	428,180	2,144,500	2,649,317
Net assets, beginning of year	<u>193,022</u>	<u>373,835</u>	<u>1,848,184</u>	<u>2,415,041</u>
Net assets, end of year	<u>\$ 269,659</u>	<u>\$ 802,015</u>	<u>\$ 3,992,684</u>	<u>\$ 5,064,358</u>

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

Austin Community College Foundation

STATEMENT OF ACTIVITIES

For the year ended May 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support				
Contributions	\$ 28,008	\$ 481,086	\$ 168,595	\$ 677,689
Interest and dividends	954	52,474	-	53,428
Realized and unrealized gains (losses)	1,796	178,537	-	180,333
Net assets released from restrictions	<u>551,380</u>	<u>(551,380)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>582,138</u>	<u>160,717</u>	<u>168,595</u>	<u>911,450</u>
Expenses				
Program services	403,576	-	-	403,576
General and administrative	10,737	-	-	10,737
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>414,313</u>	<u>-</u>	<u>-</u>	<u>414,313</u>
Change in net assets	167,825	160,717	168,595	497,137
Net assets, beginning of year	<u>25,197</u>	<u>213,118</u>	<u>1,679,589</u>	<u>1,917,904</u>
Net assets, end of year	<u>\$ 193,022</u>	<u>\$ 373,835</u>	<u>\$ 1,848,184</u>	<u>\$ 2,415,041</u>

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

Austin Community College Foundation

STATEMENTS OF CASH FLOWS

For the years ended May 31,

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,649,317	\$ 497,137
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Unrealized and realized (gains) losses	(319,673)	(180,333)
Increase in accrued interest	(17,955)	-
Increase in promises to give	(177,677)	(42,049)
Contributions restricted for endowments	<u>(2,133,198)</u>	<u>(168,595)</u>
Net cash provided by operating activities	<u>814</u>	<u>106,160</u>
Cash flows from investing activities:		
Proceeds from sales of investments	269,630	122,337
Purchases of investments	<u>(2,240,128)</u>	<u>(518,583)</u>
Net cash used by investing activities	<u>(1,970,498)</u>	<u>(396,246)</u>
Cash flows from financing activities:		
Investment in endowments	<u>2,133,198</u>	<u>168,595</u>
Net cash provided by financing activities	<u>2,133,198</u>	<u>168,595</u>
Net increase (decrease) in cash and cash equivalents	163,514	(121,491)
Cash and cash equivalents at beginning of year	<u>585,590</u>	<u>707,081</u>
Cash and cash equivalents at end of year	<u>\$ 749,104</u>	<u>\$ 585,590</u>
Amounts paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

NOTE 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 educational services of 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.

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, savings 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.

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

NOTE 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 Sections 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.

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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>

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.

NOTE 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,

	<u>2011</u>	<u>2010</u>
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	<u>\$ 239,976</u>	<u>\$ 62,299</u>

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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.

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.

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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.

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.

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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	-	(48,255)	-	(48,255)
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	-	(52,146)	-	(52,146)
Endowment funds, May 31, 2011	<u>\$ (21,150)</u>	<u>\$ 261,610</u>	<u>\$ 3,969,583</u>	<u>\$ 4,210,043</u>

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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 Service 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>

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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 Association 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 Management 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 Service Foundation, Inc. Endowed Scholarship	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 F. & 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. and Anna 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	\$ 261,610	\$ -

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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 IBAC 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	-
	<u>540,405</u>	<u>373,835</u>
Temporarily restricted, non-endowed		
	<u>\$ 802,015</u>	<u>\$ 373,835</u>

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.

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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 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 statements 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.

NOTE 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	2011	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)
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>
Description	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>

Austin Community College Foundation

NOTES TO FINANCIAL STATEMENTS – CONTINUED

May 31, 2011 and 2010

NOTE 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.

NOTE K - SUBSEQUENT EVENTS

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