

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the **2011** calendar year, or tax year beginning **08/01**, 2011, and ending **07/31**, 20**12**

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization **SISTEMA UNIVERSITARIO ANA G MENDEZ INC**
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 21345
 City or town, state or country, and ZIP + 4
San Juan, Puerto Rico 00928-1345 Puerto Rico

D Employer identification number
66-0201206

E Telephone number
787-751-0178

F Name and address of principal officer: **Jose F Mendez Gonzalez**
PO Box 21345, San Juan, PR 00928-1345

G Gross receipts \$ **300,644,457**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ **www.suagm.edu**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1950**

M State of legal domicile: **PR**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>Sistema Universitario Ana G. Méndez (SUAGM or the Institution) is a private, nonprofit, educational institution that operates three educational institutions (Universidad Metropolitana, Universidad del Este, and Universidad del Turabo) and a noncommercial public television station (Sistema TV) (Continued on Schedule O, Statement 1)</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	6,138
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	149,908
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	149,908
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 48,332,621	Current Year 43,034,520
	9	Program service revenue (Part VIII, line 2g)	216,476,698	219,172,881
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,755,010	2,127,986
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,365,098	14,607,626
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	280,929,427	278,943,013
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	23,951,781	22,494,828
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	129,850,913	147,150,439
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	96,847,517	109,848,591
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	250,650,211	279,493,858
	19	Revenue less expenses. Subtract line 18 from line 12	30,279,216	-550,845
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 320,103,807	End of Year 362,870,525
	21	Total liabilities (Part X, line 26)	160,434,233	205,418,607
	22	Net assets or fund balances. Subtract line 21 from line 20	159,669,574	157,451,918

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer _____ Date _____
Alfonso L Davila, Vicepresident for Financial Affairs
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTIN _____
 Firm's name ▶ _____ Firm's EIN ▶ _____
 Firm's address ▶ _____ Phone no. _____

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

Our mission is to provide our students with an atmosphere of academic freedom and intellectual challenge, the necessary resources to help them develop high cultural and ethical values, critical thinking, and intellectual curiosity, linguistic and technological skills as well as personal and professional skills required for success in their professions and their daily lives. Also
(Continued on Schedule O, Statement 2)

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 84,930,495 including grants of \$ 567,722) (Revenue \$ 199,562,981)

Instruction - these are the expenditures to provide a complete instruction program, allowing the students to obtain a higher education of quality. It also includes academic administration expenses which primary function is instructional. Some examples of expenses included in this category are: faculty salaries, fringe benefits and expenses directly incurred by schools, deans, departments and other academic units.

4b (Code:) (Expenses \$ 18,301,423 including grants of \$ 1,051,131) (Revenue \$ 206,495)

Student Services - these are the expenditures related to activities, other than formal instruction, that contribute to the student's emotional and physical well-being and to their intellectual, cultural and social development such as: extracurricular, cultural and athletic activities and others.

4c (Code:) (Expenses \$ 34,472,136 including grants of \$ 101,302) (Revenue \$ 40,373)

Operating and Maintenance - these are the expenditures incurred for activities related to the operation and maintenance of campus grounds, buildings, and facilities that are used for educational purposes. This include: energy, water and any other utilities necessary for the operation of plant, security and janitorial services, and logistical services such as central receiving.

4d Other program services (Describe in Schedule O.) See Schedule O, Statement 3
(Expenses \$ 58,126,161 including grants of \$ 20,875,975) (Revenue \$ 37,007,741)

4e Total program service expenses ▶ 195,830,215

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		✓
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	✓	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	✓	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	✓	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		✓
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		✓
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		✓
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		✓
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	✓	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	✓	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	✓	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		✓
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	✓	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V

		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	6138		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	✓		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	✓		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	✓		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		✓	
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		✓	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		✓	
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		✓	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations. Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		✓	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b			

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a 13		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	<input checked="" type="checkbox"/>	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?		<input checked="" type="checkbox"/>
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		<input checked="" type="checkbox"/>
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	<input checked="" type="checkbox"/>	
b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	<input checked="" type="checkbox"/>	
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	<input checked="" type="checkbox"/>	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<input checked="" type="checkbox"/>	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	<input checked="" type="checkbox"/>	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<input checked="" type="checkbox"/>	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<input checked="" type="checkbox"/>	
13	Did the organization have a written whistleblower policy?	<input checked="" type="checkbox"/>	
14	Did the organization have a written document retention and destruction policy?	<input checked="" type="checkbox"/>	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	<input checked="" type="checkbox"/>	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	<input checked="" type="checkbox"/>	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► PR
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Alfonso Davila, (787)751-0178

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Florabel G Mullick Director	1	✓					0	0	0	
Antonio J Colorado Director	1	✓					0	0	0	
Jose Domingo Perez Director	1	✓					0	0	0	
Zoraida Fonalledas Director	1	✓					0	0	0	
Juan R Melecio Director	1	✓					0	0	0	
Victor R Hernandez Mendez Director	1	✓					0	0	0	
Felix Rodriguez Schmidt Director	1	✓					0	0	0	
Hector A Jimenez Ramirez Director	1	✓					0	0	0	
Rene A Leon Rodriguez Director	1	✓					0	0	0	
Jose F Mendez Jr Director / Executive VP	40	✓		✓			201,922	0	4,686	
Jose F Mendez Gonzalez Director / President	40	✓		✓			653,084	0	20,540	
Ramiro Millan Director	1	✓					0	0	0	
Rafael Nadal Arcelay Director	1	✓					0	0	0	
Alfonso L Davila Silva VP Financial Affairs	40			✓			263,816	0	19,037	

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Jorge L Crespo Armaiz VP Planning & Academic Affairs	40			✓			207,610	0	15,905	
Victoria de Jesus VP Human Resources	40			✓			207,619	0	15,718	
Jesus A Diaz Ortiz VP Administrative Affairs	40			✓			188,645	0	14,686	
Francisco J Bartolomei VP Marketing and Student Affairs	40			✓			282,722	0	17,504	
Federico Matheu Delgado Chancellor	40			✓			255,808	0	15,516	
Alberto Maldonado Ruiz Chancellor	40			✓			252,483	0	16,298	
Dennis Alicea Rodriguez Chancellor	40			✓			262,139	0	18,289	
Migdalia Torres Rivera Chancellor	40			✓			190,096	0	18,689	
Margarita Torres Millan VP & General Manager	40			✓			189,220	0	2,820	
John Navarro Ferreira Internal Audit Director	40			✓			171,940	0	18,548	
Luis Zayas Seijo VP National & International Affairs	40			✓			120,964	0	2,766	
Juan Arratia Executive Director	40					✓	137,575	0	1,514	
Marcelino Rivera Lopez Dean	40					✓	140,557	0	0	
Roberto Loran Santos Vice - Chancellor	40					✓	138,133	0	0	

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a	0					
	b Membership dues	1b	0					
	c Fundraising events	1c	0					
	d Related organizations	1d	0					
	e Government grants (contributions)	1e	43,034,520					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	0					
	g Noncash contributions included in lines 1a-1f: \$		37,984					
	h Total. Add lines 1a-1f			43,034,520				
Program Service Revenue	Business Code							
	2a Tuition & Fees		611710	216,581,800	216,581,800	0	0	
	b Auxiliary Enterprise		611710	1,080,447	1,080,447	0	0	
	c Sistema Tv		515100	1,510,634	1,159,816	0	350,818	
	d							
	e							
	f All other program service revenue			0	0	0	0	
g Total. Add lines 2a-2f			219,172,881					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			1,218,888	0	0	1,218,888	
	4 Income from investment of tax-exempt bond proceeds			0	0	0	0	
	5 Royalties			0	0	0	0	
	6a Gross rents	(i) Real	45,626	0				
		(ii) Personal		0				
		b Less: rental expenses	5,759	0				
		c Rental income or (loss)	39,867	0				
	d Net rental income or (loss)			39,867	0	0	39,867	
	7a Gross amount from sales of assets other than inventory	(i) Securities	20,460,536	0				
		(ii) Other		0				
		b Less: cost or other basis and sales expenses	19,551,438	0				
		c Gain or (loss)	909,098	0				
	d Net gain or (loss)			909,098	0	0	909,098	
	8a Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c). See Part IV, line 18	a	0					
		b Less: direct expenses	0					
		c Net income or (loss) from fundraising events			0	0	0	0
	9a Gross income from gaming activities. See Part IV, line 19	a	0					
b Less: direct expenses		0						
c Net income or (loss) from gaming activities				0	0	0	0	
10a Gross sales of inventory, less returns and allowances	a	3,608,911						
	b Less: cost of goods sold	2,144,247						
	c Net income or (loss) from sales of inventory			1,464,664	0	0	1,464,664	
Miscellaneous Revenue			Business Code					
11a Continuing Education		611710	2,735,464	2,735,464	0	0		
b Miscellaneous Revenues		611710	4,609,244	4,609,244	0	0		
c F & A Recovery		611710	1,927,838	1,927,838	0	0		
d All other revenue			3,830,549	3,680,641	149,908	0		
e Total. Add lines 11a-11d			13,103,095					
12 Total revenue. See instructions.			278,943,013	231,775,250	149,908	3,983,335		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	22,494,828	22,494,828		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	3,359,743	0	3,359,743	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	111,566,721	95,786,927	15,779,794	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,110,538	64,673	8,045,865	0
9 Other employee benefits	13,598,202	8,212,232	5,385,970	0
10 Payroll taxes	10,515,235	8,641,221	1,874,014	0
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	644,675	0	644,675	0
c Accounting	391,912	0	391,912	0
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	371,561	0	371,561	0
g Other	17,450,034	13,271,593	4,178,441	0
12 Advertising and promotion	4,876,386	515,768	4,360,618	0
13 Office expenses	11,709,962	8,241,554	3,468,408	0
14 Information technology	2,237,529	1,358,291	879,238	0
15 Royalties	0	0	0	0
16 Occupancy	22,872,563	21,953,828	918,735	0
17 Travel	3,742,132	2,392,661	1,349,471	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	17,437	0	17,437	0
19 Conferences, conventions, and meetings	8,451,544	6,735,527	1,716,017	0
20 Interest	4,694,710	0	4,694,710	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	18,124,439	0	18,124,439	0
23 Insurance	1,530,786	1,508,218	22,568	0
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>Production & Programming</u>	1,944,830	1,944,830	0	0
b <u>Bad Debt</u>	4,737,716	26,784	4,710,932	0
c <u>Others</u>	6,050,375	2,681,280	3,369,095	0
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	279,493,858	195,830,215	83,663,643	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A)		(B)		
		Beginning of year		End of year		
Assets	1 Cash—non-interest-bearing		0	1	0	
	2 Savings and temporary cash investments		18,148,075	2	39,423,125	
	3 Pledges and grants receivable, net		2,214,600	3	2,217,216	
	4 Accounts receivable, net		2,396,714	4	2,042,119	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		0	6	0	
	7 Notes and loans receivable, net		0	7	0	
	8 Inventories for sale or use		1,859,836	8	1,739,870	
	9 Prepaid expenses and deferred charges		4,521,352	9	5,131,714	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	440,588,620			
	b Less: accumulated depreciation	10b	187,169,224	232,718,595	10c	253,419,396
	11 Investments—publicly traded securities		44,139,051	11	45,322,662	
	12 Investments—other securities. See Part IV, line 11		1,423,217	12	1,516,462	
	13 Investments—program-related. See Part IV, line 11		769,433	13	769,433	
	14 Intangible assets		0	14	0	
	15 Other assets. See Part IV, line 11		11,912,934	15	11,288,528	
16 Total assets. Add lines 1 through 15 (must equal line 34)		320,103,807	16	362,870,525		
Liabilities	17 Accounts payable and accrued expenses		31,673,356	17	32,074,237	
	18 Grants payable			18		
	19 Deferred revenue			19		
	20 Tax-exempt bond liabilities		93,669,164	20	124,245,302	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D			21		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22		
	23 Secured mortgages and notes payable to unrelated third parties		24,078,361	23	34,271,252	
	24 Unsecured notes and loans payable to unrelated third parties			24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		11,013,352	25	14,827,816	
	26 Total liabilities. Add lines 17 through 25		160,434,233	26	205,418,607	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27 Unrestricted net assets		146,271,688	27	144,770,256	
	28 Temporarily restricted net assets		5,128,813	28	4,218,446	
	29 Permanently restricted net assets		8,269,073	29	8,463,216	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.					
	30 Capital stock or trust principal, or current funds			30		
	31 Paid-in or capital surplus, or land, building, or equipment fund			31		
	32 Retained earnings, endowment, accumulated income, or other funds			32		
	33 Total net assets or fund balances		159,669,574	33	157,451,918	
34 Total liabilities and net assets/fund balances		320,103,807	34	362,870,525		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	278,943,013
2	Total expenses (must equal Part IX, column (A), line 25)	2	279,493,858
3	Revenue less expenses. Subtract line 2 from line 1	3	-550,845
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	159,669,574
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,666,811
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	157,451,918

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a	✓	
3b	✓	

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization SISTEMA UNIVERSITARIO ANA G MENDEZ INC	Employer identification number 66-0201206
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III—Functionally integrated d Type III—Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support test—2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

Employer identification number

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

66-0201206

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2
b Total acreage restricted by conservation easements	12
c Number of conservation easements on a certified historic structure included in (a)	0
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	0

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ 0

4 Number of states where property subject to conservation easement is located ▶ 1

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ 0

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ 0

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ 0

(ii) Assets included in Form 990, Part X ▶ \$ 1,409,897

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ 0

b Assets included in Form 990, Part X ▶ \$ 0

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	48,952,243	43,641,749	38,628,717	44,520,968	
b Contributions	294,143	367,354	317,000	80,000	
c Net investment earnings, gains, and losses	499,826	5,658,794	5,575,242	-4,868,206	
d Grants or scholarships	0	0	0	0	
e Other expenditures for facilities and programs	497,472	257,742	485,476	708,426	
f Administrative expenses	460,501	457,912	393,734	395,619	
g End of year balance	48,788,239	48,952,243	43,641,749	38,628,717	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment **▶** 54.7 %
- b** Permanent endowment **▶** 28.7 %
- c** Temporarily restricted endowment **▶** 16.6 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) related organizations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	<input type="checkbox"/>	<input type="checkbox"/>

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	34,528,860		34,528,860
b Buildings	0	254,981,180	85,748,612	169,232,568
c Leasehold improvements	0	0	0	0
d Equipment	0	107,324,638	81,105,878	26,218,760
e Other	0	43,753,942	20,314,734	23,439,208
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				253,419,396

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other -----		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes	0	
(2) Liability for pension benefit	10,557,164	
(3) Adv. from federal government for students loans	231,103	
(4) Liability for other employee benefit	4,039,549	
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	14,827,816	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization’s financial statements that reports the organization’s liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	278,943,013
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	279,493,858
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-550,845
4	Net unrealized gains (losses) on investments	4	-1,522,668
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV.)	8	-144,143
9	Total adjustments (net). Add lines 4 through 8	9	-1,666,811
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-2,217,656

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	259,353,199
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV.)	2d	-20,309,256
e	Add lines 2a through 2d	2e	-20,309,256
3	Subtract line 2e from line 1	3	279,662,455
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	371,561
b	Other (Describe in Part XIV.)	4b	-1,091,003
c	Add lines 4a and 4b	4c	-719,442
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	278,943,013

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	261,570,855
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIV.)	2d	2,757,814
e	Add lines 2a through 2d	2e	2,757,814
3	Subtract line 2e from line 1	3	258,813,041
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	371,561
b	Other (Describe in Part XIV.)	4b	20,309,256
c	Add lines 4a and 4b	4c	20,680,817
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	279,493,858

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Schedule D, Part II, Line 9 - The Institution does not have any conservation easements recorded on its books as of July 31, 2012. Therefore, there is no need for a disclosure in the financial statements related to conservation easements. However, the Institution owns (as of July 31, 2012) two properties (Land) that were donated to establish an enviromental laboratory for UMET's Enviromental Studies School. They were recorded at the time of donation at market value.

Schedule D, Part III, Line 4 - The Museum and Center for Humanistic Studies (The Museum) has a collection of works of art totaling \$1,409,897 as of July 31, 2012. The collection has approximately 3,200 registered objects in three major areas: Archeology, Fine Arts, and Folk Arts. The Museum collects objects of the cultural heritage representative of the central and eastern regions of Puerto Rico. Also, the Museum collects works of art of national relevance that contribute to the understanding of our culture. One of SUAGM's mision is to enhance knowledge through excellence in education and to promote research, innovation and the internationalization of its academic programs. The Museum mission is to collect, preserve, study, and disseminate the artistic and humanistic expressions of our regional and national Puerto Rican Culture for the enjoyment and benefit of the University Community and the general public. Thus, the Museum mission complements that of SUAGM in that it enhances our students and the community's knowledge of their cultural heritage.

Part XIV - Supplemental Information (Continued)

Schedule D, Part V, Line 4 - The Institution's endowment has three components: Endowment, Quasi Endowment, and Scholarship Endowment. Endowment funds are spent according to the spending policy, as established in the Board of Director's Statement of Investment Policy, Guidelines, and Objectives. The edowment contains donor restricted funds, mainly for scholarships and funds related to the endowment challenge grant (Title III Program), that provided funds to the Institution that were matched dollar per dollar and which principal is restricted for a period of twenty (20) years. Restrictions under the Title III Program have been substantially completed, as these grants initiated in the 1980's. Unrestricted funds are available for spending for administrative (investment management fees, etc.) and operational expenses if approved by the Board of Directors.

Schedule D, Part X, Line 2 - The Institution follows the guidance contained in ASC Topic 740-10-25, Accounting for Uncertainty in Income Taxes. ASC Topic 740-10-25 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken. Based upon its evaluation, the Institution concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

Schedule D, Part XI, Line 8 - Unrelated Business income: \$149,908 - Property taxes: \$(5,761) = \$144,143

Schedule D, Part XII, Line 2d - Scholarships: \$(20,309,256)

Schedule D, Part XII, Line 4b - Unrelated business income \$149,908 + Net sales of assets other than inventory \$909,095- Property taxes \$(5,759) - Cost of goods sold \$(2,144,247) = \$(1,091,003)

Schedule D, Part XIII, Line 2d - Cost of good sold: \$2,144,247 + Fair Market Value Income: \$1,522,665.27 - Sale of Stock Income: \$(909,098.19) = \$2,757,814

Schedule D, Part XIII, Line 4b - Scholarships: \$20,309,256

**SCHEDULE E
(Form 990 or 990-EZ)**

Schools

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
▶ Attach to Form 990 or Form 990-EZ.**

2011

Open to Public Inspection

Name of the organization

Employer identification number

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

66-0201206

Part I

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	✓	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	✓	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II <u>The Institution is in compliance with the Rev. proc. 75-50</u> ----- ----- -----	✓	
4 Does the organization maintain the following? a Records indicating the racial composition of the student body, faculty, and administrative staff?	✓	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	✓	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	✓	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. If you need more space, use Part II. ----- -----	✓	
5 Does the organization discriminate by race in any way with respect to: a Students' rights or privileges?		✓
b Admissions policies?		✓
c Employment of faculty or administrative staff?		✓
d Scholarships or other financial assistance?		✓
e Educational policies?		✓
f Use of facilities?		✓
g Athletic programs?		✓
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. If you need more space, use Part II. ----- -----		✓
6a Does the organization receive any financial aid or assistance from a governmental agency?	✓	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, explain on Part II.		✓
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II	✓	

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Employer identification number

66-0201206

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Part II can be duplicated if additional space is needed

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶

3 Enter total number of other organizations listed in the line 1 table ▶

Description of Grants and Other Assistance to Individuals in the United States

		Number of recipients	Amount of cash grant	Amount of non-cash assistance
Type of grant	Social, Behavioral, and Economic Sciences	20	14,075	0
Method of valuation	0			
Description of non-cash assistance	0			
Type of grant	Strengthen the academic quality	2535	815,652	0
Method of valuation	0			
Description of non-cash assistance	0			

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

Compensation Information
For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

Employer identification number

66-0201206

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input checked="" type="checkbox"/> First-class or charter travel | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions | <input checked="" type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input checked="" type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- | | | | |
|--|-----------|-------------------------------------|-------------------------------------|
| a Receive a severance payment or change-of-control payment? | 4a | | <input checked="" type="checkbox"/> |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | <input checked="" type="checkbox"/> | |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | | <input checked="" type="checkbox"/> |
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- | | | | |
|--|-----------|--|-------------------------------------|
| a The organization? | 5a | | <input checked="" type="checkbox"/> |
| b Any related organization? | 5b | | <input checked="" type="checkbox"/> |
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- | | | | |
|--|-----------|--|-------------------------------------|
| a The organization? | 6a | | <input checked="" type="checkbox"/> |
| b Any related organization? | 6b | | <input checked="" type="checkbox"/> |
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	<input checked="" type="checkbox"/>	
2	<input checked="" type="checkbox"/>	
4a		<input checked="" type="checkbox"/>
4b	<input checked="" type="checkbox"/>	
4c		<input checked="" type="checkbox"/>
5a		<input checked="" type="checkbox"/>
5b		<input checked="" type="checkbox"/>
6a		<input checked="" type="checkbox"/>
6b		<input checked="" type="checkbox"/>
7		<input checked="" type="checkbox"/>
8		<input checked="" type="checkbox"/>
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	(i)	443,899	161,097	48,088	12,000	8,540	673,624	0
	(ii)	0	0	0	0	0	0	0
2	(i)	200,301	54,745	7,093	13,993	4,296	280,428	0
	(ii)	0	0	0	0	0	0	0
3	(i)	191,940	54,536	6,007	14,540	1,758	268,781	0
	(ii)	0	0	4,000	0	0	4,000	0
4	(i)	189,685	69,392	4,739	14,351	4,686	282,853	0
	(ii)	0	0	4,000	0	0	4,000	0
5	(i)	194,036	59,547	2,225	12,000	3,516	271,324	0
	(ii)	0	0	0	0	0	0	0
6	(i)	155,749	63,550	63,423	13,988	3,516	300,226	0
	(ii)	0	0	0	0	0	0	0
7	(i)	163,427	33,839	10,344	14,147	1,758	223,515	0
	(ii)	0	0	0	0	0	0	0
8	(i)	153,500	53,500	619	13,960	1,758	223,337	0
	(ii)	0	0	0	0	0	0	0
9	(i)	149,504	23,524	17,068	14,003	4,686	208,785	0
	(ii)	0	0	0	0	0	0	0
10	(i)	143,431	43,256	1,958	12,000	4,686	205,331	0
	(ii)	0	0	4,000	0	0	4,000	0
11	(i)	108,836	28,740	0	1,514	0	139,090	0
	(ii)	0	0	0	0	0	0	0
12	(i)	152,000	33,500	3,720	1,062	1,758	192,040	0
	(ii)	0	0	0	0	0	0	0
13	(i)	142,000	28,325	1,615	13,862	4,686	190,488	0
	(ii)	0	0	0	0	0	0	0
14	(i)	108,564	12,400	0	1,080	1,758	123,802	0
	(ii)	41,413	0	0	0	0	41,413	0
15	(i)	160,084	28,680	13,158	0	4,686	206,608	0
	(ii)	0	0	4,000	0	0	4,000	0
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Schedule J, Part I, Line 1a - A) First Class or Charter Travel - The Institution's travel policy establishes that the President may travel in first class and those Officers that travel with the President on official business trip may travel in Business Class. Also, the Institution pays travel expenses in Business Class for the President and Vice-President of the Board when travelling to Board related activities or seminars such as the Board's Annual Seminar, the Association of Governing Board's Conference, among others. B) Travel for Companions - The President's spouse accompanies him at the Institution's expense when he travels on official business trip and so do the spouses of the Members of the Board and Officers on certain business activities. C) Housing Allowance or Residence for Personal Use - The Institution owns a property that is used as the President's residence. The rent market value of this property is classified and reported as part of the President's compensation. D) Payment for Business Use of Personal Residence - The President owns a property contiguous to the Institution's property provided as residence. The Institution covers expenses related to business activities at this property. E) Health and Social Club Dues or Initiation Fees - The Institution covers the cost of membership at local hotels to be used for activities and representation expenses by Officers. F) Personal Services - The covers the costs of a chauffeur for the President and maid services at the President's residence.

Schedule J, Part I, Line 4 - Jose F. Méndez Gonzalez: Nonqualified retirement plan - \$12,000 Dennis Alicea Rodríguez: Nonqualified retirement plan - \$12,000 Alberto Maldonado Ruiz: Nonqualified retirement plan - \$12,000 Alfonso L. Dávila: Nonqualified retirement plan - \$12,000 Federico Matheu Delgado: Nonqualified retirement plan - \$12,000 Jorge L. Crespo Armaiz: Nonqualified retirement plan - \$12,000 Migdalia Torres Rivera: Nonqualified retirement plan - \$12,000 Francisco J. Bartolomei: Nonqualified retirement plan - \$12,000 Jesus A. Diaz Ortiz: Nonqualified retirement plan - \$12,000 Victoria de Jesus: Nonqualified retirement plan - \$12,000 John Navarro Ferreira: Nonqualified retirement plan - \$12,000.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.**

▶ **See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

Employer identification number

66-0201206

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A AFICA Bond 2006	69-0660050	745227EN0	04/11/2006	30,450,352	Acquisition and construction of educational facilities		✓		✓		✓
B AFICA Bond 2012	69-0660050	745272FA7	06/27/2012	80,415,798	Adquisition and Construction of educational facilities		✓		✓		✓
C											
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired	0		0					
2 Amount of bonds legally defeased	0		0					
3 Total proceeds of issue	30,450,352		80,415,798					
4 Gross proceeds in reserve funds	1,949,750		5,378,712					
5 Capitalized interest from proceeds	0		0					
6 Proceeds in refunding escrows	0		0					
7 Issuance costs from proceeds	580,292		1,407,843					
8 Credit enhancement from proceeds	0		0					
9 Working capital expenditures from proceeds	0		0					
10 Capital expenditures from proceeds	27,920,310		6,734,996					
11 Other spent proceeds	0		0					
12 Other unspent proceeds	0		0					
13 Year of substantial completion	2006		2014					
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		✓	✓					
15 Were the bonds issued as part of an advance refunding issue?		✓	✓					
16 Has the final allocation of proceeds been made?	✓		✓					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓					

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓		✓				
2 Are there any lease arrangements that may result in private business use of bond-financed property?	✓		✓					

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		✓		✓				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		✓		✓				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0.88 %		1.29 %		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %		%		%
6 Total of lines 4 and 5		0.88 %		1.29 %		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities? . .	✓		✓					

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		✓		✓				
2 Is the bond issue a variable rate issue?		✓		✓				
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✓		✓				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)? .	✓			✓				
b Name of provider	Royal Bank of Canada							
c Term of GIC	30							
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? .	✓							
5 Were any gross proceeds invested beyond an available temporary period? .		✓		✓				
6 Did the bond issue qualify for an exception to rebate?		✓		✓				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

**SCHEDULE L
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

Employer identification number

66-0201206

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total				▶ \$						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Description of Business Transactions Involving Interested Persons

		Amount of transaction
Name	Jesus Diaz de Jesus	21,713
Relationship with organization	Officer's Son	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Ileana Castro Rosello	26,719
Relationship with organization	Chancellor's Spouse	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Victor Hernandez Garcia	30,600
Relationship with organization	Director's Son	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Carmen Rivera Lopez	57,778
Relationship with organization	Dean's Sister	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Alejandro Gomez Betancourt	31,400
Relationship with organization	Vicechancellor's Son	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Joselyn Gomez Betancourt	32,506
Relationship with organization	Vicechancellor's Daughter	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Andres Roberto Loran	32,956
Relationship with organization	Instructor's Son	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Eileen Marie Rodriguez Domenech	65,076
Relationship with organization	Officers's Spouse	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Victoria Rodriguez	60,221
Relationship with organization	President's spouse	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Laura E Aponte Hernandez	32,260
Relationship with organization	Officer's Spouse	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Andres Lloveras Mendez	34,879
Relationship with organization	President's Grandchildren	
Description of transaction	Employment	
Sharing Of Revenues	No	
Name	Ramiro Millan - BBDO Puerto Rico	1,930,347
Relationship with organization	President of BBDO and SUAGM's Director	
Description of transaction	Independent Contractor	
Sharing Of Revenues	No	
Name	Rafael Nadal - Cancio Nadal Rivera Diaz	636,886

Schedule L, Part V, Statement 1

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

Relationship with organization Partner of Cancio Nadal Rivera Diaz and SUAGM's Director

Description of transaction Independent Contractor

Sharing Of Revenues No

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2011

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form
990, Part IV, lines 29 or 30.
▶ Attach to Form 990.**

Name of the organization

Employer identification number

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

66-0201206

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	✓	11	37,984	Market value of the equipment
26				
27				
28				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** **0**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		✓
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		✓
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		✓
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

SISTEMA UNIVERSITARIO ANA G MENDEZ INC

Employer identification number

66-0201206

Form 990, Part VI, Section A, Line 2 - Jose F. Mendez Jr. ,Executive VP, and Jose F. Mendez Gozalez ,President, have a family relationship.

Form 990, Part VI, Section B, Line 11b - The information required to complied form 990 was based on the Institution's audited financial statements. Supplemental information was gathered from SUAGM's accounting system. For this reporting period, the form 990 was prepared by the Institution's Accounting Office, reviewed by its Controller, and approved by the Vicepresident for Financial Affairs. A copy of this Form 990 was provided to all members of the Board of Directors before filling the form.

Form 990, Part VI, Section B, Line 12c - Board Members and Officers are required to annually complete a form to disclose conflicts of interest or potential conflicts of interest. The process is conducted by the Secretary of the Board and forms are kept in file at the Board's Offices. The form is also administered to all employees and faculty members that participate in federally funded projects. This process is administered by the Vicepresidency of Human Resources. The policy is also discussed as part of the training program for new employees and at other activitites involving staff and faculty. A memorandum is distributed through the Insitution's internal communication to all the university's community to make them aware of the conflict of interest policy in force.

Form 990, Part VI, Section B, Line 15 - The compensation of the organization's President and Officers are reviewed by an independent consulting group which uses comparable data to determine if it is reasonable when compared to their industry. The results are then presented to the Board of Directors for their approval.

Form 990, Part VI, Section C, Line 19 - The Institution's governing documents are available upon request at the Office of the Secretary of the Board of Directors. The conflict of interest policy is available through the Office of Financial Administration of Sponsored Programs website page and through the Vicepresidency of Human Resources. Interim and audited financial statements are routinely distributed to banks and creditors and are also available to the public upon request.

Form 990, Part XI, Line 5 - Net Unrealized gains (losses) on investments: \$(1,522,668) + Property Taxes: \$5,764 + Unrelated revenues: \$149,908

Activity Or Mission Description

Description

in Puerto Rico. SUAGM promotes cultural, social, economic development, and well-being of the puertorican society. All institutions, colleges, programs or schools established, directed and supervised by SUAGM will be non-sectarian, coeducational, and will not permit discrimination, on the basis of race, gender, color, national origin, social status, physical or mental handicap, nor on the basis of political, religious or social beliefs.

Mission Description

Description

we promote the integral development of a diverse student population through research, critical-creative thinking, the construction of knowledge and its application. At last, we promote the development of ethical principles and values that will allow them to contribute to the wellbeing of the community through their knowledge of social systems and their role as responsible citizens.

Other Program Services Accomplishments

Activity Code	Description	Expense	Grants	Revenue
	Research - These are expenditures incurred for activities developed to generate research outcomes that are carried out within academic departments. The research projects are commissioned by external agencies or separately budgeted by an organizational unit within the Institutions.	8,124,834	108,467	37,774
	Public Services - These are expenditures related to the operation of a non-commercial television station providing educational and cultural programs to students and the community. Also, included under this category are expenditures from activities developed for community service, mainly high school dropout, socially and economically challenged, academically outstanding students.	17,429,253	126,161	2,774,062
	Academic Support - These are the expenditures for activities and services to pursue the primary mission of the institution: instruction and research. Includes expenditures such as library books, audiovisual materials, those related to students retention, preservation and display of educational and historical materials, scientific displays and art objects.	10,117,673	185,048	173,171
	Scholarships - These are expenditures related to scholarhsips and fellowships from restricted and unrestricted funds in the form of grants to students, resulting from selection by the institutions or from an entitlement program. It also includes trainee stipends. The recipients of grants are not required to perform services for the institutions as consideration for the grant to the funding source.	20,352,238	20,410,558	31,317,468
	Auxiliary Enterprises - These are the expenditures for essentially self supporting operations of the institutions that exist to furnish a service to students, faculty and staff of the institutions, and incidentally to the general public. They include cafeterias, parkings, bookstores, and a printing shop.	2,102,163	45,741	2,705,266
Total:		58,126,161	20,875,975	37,007,741

Contractor Compensation

Name and address:	Description Of Services	Compensation
St James Securities Services Inc 1604 Ponce de Leon Avenue Caribe Urb San Juan, PR 00926	Security	3,819,249
National Building Maintenance 855 Hostos Avenue Ponce, PR 00716-1105	Maintenance	2,558,660
Quality Air Refrigeration Services PO BOX 3225 Carolina, PR 00984-3225	Service	2,173,500
BBDO Puerto Rico PO BOX 11854 San Juan, PR 00922-1854	Advertising	1,930,347
Optima Contratista General Inc PO Box 909 Guaynabo, PR 00970	Construction	1,836,125
Total:		12,317,881