Del Mar College

Corpus Christi, Texas

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2009

This page left intentionally blank

DEL MAR COLLEGE
Corpus Christi, Texas
ANNUAL FINANCIAL REPORT
For the Year Ended August 31, 2009

TABLE OF CONTENTS

DEL MAR COLLEGE

TABLE OF CONTENTS (cont'd)

DEL MAR COLLEGE
ORGANIZATIONAL DATA
For the Fiscal Year 2008-2009

BOARD OF REGENTS

OFFICERS

Mr. Trey McCampbell	Chair
Mr. Gabriel Rivas III	Chair
Ms. Minerva Arriaga	Secretary
Ms. Elva Estrada	Assistant Secretary
Mr. James Boggs	Parliamentarian

MEMBERS

	Term Expires
Dr. Nicholas L. Adame	2014
Ms. Minerva Arriaga	2012
Mr. James Boggs	2010
Mr. James M. Duerr	2014
Ms. Elva Estrada	2012
Ms. Susan Hutchinson	2010
Mr. Trey McCampbell	2010
Mr. Gabriel Rivas, III	2014
Mr. Guy Watts	2014

KEY OFFICERS

Dr. Mark Escamilla	President
Mr. Lee Sloan	Interim Vice President of Administration & Finance
Dr. Marjorie Villani	Interim Vice President of Instruction
Mr. Jose Rivera	Vice President of Student Services

This page left intentionally blank

INDEPENDENT AUDITOR'S REPORT

December 15, 2009

Board of Regents
Del Mar College District
Corpus Christi, Texas

We have audited the accompanying financial statements of the Del Mar College District (the College) and its discretely presented component unit, as of and for the years ended August 31, 2009 and 2008 and June 30, 2009 and 2008, respectively, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Del Mar College District and its discretely presented component unit, as of August 31, 2009 and 2008 and June 30, 2009 and 2008, respectively, and the respective changes in financial position and cash flows, thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2009, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, and net assets by source and availability; and statistical supplement listed in the table of contents are presented for purposes of additional analysis as required by the *Annual Financial Reporting Requirements Manual* issued by the Texas Higher Education Coordinating Board and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning and is not a required part of the basic financial statements. The schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, and net assets by source and availability; schedule of expenditures of federal awards; and schedule of expenditures of state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the statistical supplement has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

DEL MAR COLLEGE

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

Following is management's discussion and analysis of the financial activity of Del Mar College for the fiscal years ended August 31, 2009 and 2008. The discussion and analysis provides summary financial information reflected in the statements and therefore, should be read in conjunction with the accompanying financial statements and footnotes. The financial statement format consists of three primary statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. An accrual basis of accounting is employed. This means that transactions are recorded as incurred rather than when cash changes hands. Each one of these statements will be discussed.

Financial Statements for the College's component unit, the Del Mar College Foundation (Foundation) are issued independent of the College. The Foundation's financial information for fiscal years 2009 and 2008 is shown on separate pages behind the College's basic financial statements. Refer to Note 19 in the Notes to the Financial Statements for more detail on the Foundation.

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

Some of the financial highlights of fiscal year 2009 are as follows:

- Assets of the College exceeded liabilities at the close of the fiscal year ending on August 31, 2009 by $70.7 million. Of this amount, $16.4 million (unrestricted net assets) may be used to meet the College's ongoing obligations.

- At the end of the current Fiscal Year, total college revenue exceeded total expenses by $5.24 million. The major reason for this savings was due to a delay in replacing personnel who retired under the early retirement incentive program.

Statement of Net Assets

The Statement of Net Assets presents all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector Colleges. Net assets, the difference between assets and liabilities, are one way to measure the financial health of the College. The Statement of Net Assets is a point of time financial statement. The purpose of the Statement of Net Assets is to present to the readers of the financial statements a fiscal snapshot of Del Mar College District. The Statement of Net Assets presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Assets (assets minus liabilities). Current assets are things of value, which are available to the College in the short term, which is considered to be one year or less. Current liabilities are amounts owed which are expected to be paid in one year or less.

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and bond holders. Finally, the Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the College.

Net Assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the College's equity in property, plant and equipment owned by the College. The next category is restricted net assets, which is divided into two categories, non-expendable and expendable. The corpus of non-expendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditures by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted assets are available to the College for any lawful purpose of the College.

(In Thousands)

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	2009-2008 Change	2008-2007 Change
Current Assets	$ 60,608	$ 70,343	$ 61,914	$ (9,735)	$ 8,429
Non-Current Assets:					
Capital Assets, Net of Depreciation	158,802	154,272	138,290	4,530	15,982
Other	1,644	3,051	2,507	(1,407)	544
Total Assets	221,054	227,666	202,711	(6,612)	24,955
Current Liabilities	19,947	25,168	19,280	(5,221)	5,888
Non-Current Liabilities	130,375	137,014	116,687	(6,639)	20,327
Total Liabilities	150,322	162,182	135,967	(11,860)	26,215
Net Assets:					
Investment in Capital Assets, Net of Related Debt	50,721	46,089	43,079	4,632	3,010
Restricted	3,629	4,740	5,135	(1,111)	(395)
Unrestricted	16,382	14,655	18,531	1,727	(3,876)
Total Net Assets	$ 70,732	$ 65,484	$ 66,745	$ 5,248	$ (1,261)

2008 – 2009

For the year 2009, total assets decreased by approximately $6.6 million. This significant decrease was primarily due to proceeds used to pay employees who took advantage of the early retirement incentive program. Cost of the program was approximately $4.3 million. The additional decrease of $2.3 million was primarily caused from payments made to vendors for bond projects under construction.

Total liabilities decreased by approximately $11.9 million. Major items reflecting this decrease was the payments to employees who took advantage of the early retirement incentive program and additional amounts paid to them for accrued sick leave. This amounted to approximately $5.9 million. Principal payments on bonded debt of $5.4 million was the other major reason for the decrease in liabilities.

2007 – 2008

For the year 2008, total assets increased by approximately $25 million. This significant increase was primarily due to proceeds received from the issuance of revenue bonds. Net cash and investments increased by approximately $10 million with the remaining increase resulting from the increase in capital assets purchased with funds remaining from the bond issue.

Total liabilities increased by approximately $26 million. The primary cause of this increase was, as indicated above, mostly due to the issuance of the $25.5 million revenue bond issue net of principal payments on existing debt of $5.5 million. Another contributing factor for this increase was approval of an early retirement incentive program which created an additional liability at year end of $4.3 million.

Statement of Revenues, Expenses and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, and the expenses incurred by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. Non-operating expenses are those expenses incurred as the result of activities other than the primary function of the College.

Del Mar College
Revenues, Expenses and Changes in Net Assets
Years Ended August 31, 2007 Through 2009
(In Thousands)

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	2009-2008 Variance	2008-2007 Variance
Operating Revenues:					
Tuition and Fees	$ 11,980	$ 14,032	$ 13,905	$ (2,052)	$ 127
Federal Grants and Contracts	25,279	19,118	18,457	6,161	661
State Grants and Contracts	2,070	1,689	1,140	381	549
Local Grants and Contracts	957	699	1,015	258	(316)
Auxiliary Enterprises (Net of Discounts)	1,471	1,212	1,307	259	(95)
General Operating Revenues	1,260	1,464	1,490	(204)	(26)
Total Operating Revenues	43,017	38,214	37,314	4,803	900
Operating Expenses:					
Instruction	33,919	35,832	34,004	(1,913)	1,828
Public Service	30	35	36	(5)	(1)
Academic Support	5,964	6,083	5,713	(119)	370
Student Services	10,646	12,379	10,746	(1,733)	1,633
Institutional Support	14,153	14,497	12,356	(344)	2,141
Operation and Maintenance of Plant	11,620	11,281	9,767	339	1,514
Scholarships and Fellowships	15,559	10,970	10,135	4,589	835
Auxiliary Enterprises	1,726	1,737	1,608	(11)	129
Depreciation	5,686	5,205	4,318	481	887
Total Operating Expenses	99,303	98,019	88,683	1,284	9,336
Operating Loss	(56,286)	(59,805)	(51,369)	3,519	(8,436)
Non-Operating Revenues and Expenses:					
State Appropriations	25,145	25,069	24,717	76	352
Maintenance Ad Valorem Taxes	32,550	29,428	26,600	3,122	2,828
Debt Service Ad Valorem Taxes	8,736	8,643	8,935	93	(292)
Gifts	216	103	140	113	(37)
Gain (Loss) on Disposal of Capital Assets	(59)	(44)	(104)	(15)	60
Investment Income	802	1,986	3,634	(1,184)	(1,648)
Interest on Capital Related Debt	(6,140)	(5,735)	(5,313)	(405)	(422)
Other Non-Operating Revenues	309	126	91	183	35
Other Non-Operating Expenses	(28)	(1,033)	(1,023)	1,005	(10)
Contribution from Del Mar Foundation	3	2	162	1	(160)
Net Non-Operating Revenues	61,534	58,545	57,839	2,989	706
Increase (Decrease) in Net Assets	5,248	(1,260)	6,470	6,508	(7,730)
Net Assets Beginning of Year	65,484	66,744	60,275	(1,260)	6,469
Net Assets End of Year	$ 70,732	$ 65,484	$ 66,745	$ 5,248	$ (1,261)

Key factors impacting total operating revenues:

2008 – 2009

- Total operating revenues increased by approximately $4.8 million. The major focus of this increase was funds received from federal and state grants of approximately $6 million. Most of those funds were passed directly to students in the form of financial aid grants and loans for tuition and living expenses. During the year tuition decreased by approximately $2 million. This decrease was mostly caused by a significant decrease in contract instruction. Major companies who use the college to train their employees have significantly cutback these expenditures due to current economic conditions.

2007 – 2008

- Operating revenues increased by approximately $900 thousand. The main cause for this increase was due to additional funding received for federal and state grants less a decrease in funding from local grants. Additional funding received amounted to $1.2 million. The additional revenues received on these grants were offset proportionally for expenditures incurred.

Key factors impacting total operating expenses:

2008-2009

- Operating expenses increased by approximately $1.3 million. Although funds passed along to students in the form of federal grants and contracts increased by $4.6 million, this was offset by approximately $3.2 in salary savings over the prior year. The early retirement incentive program taken by employees at the end of the prior fiscal year reduced salaries in the current year.

- Other operating expenses having the largest impact were an increase in electrical costs of approximately $900 thousand and additional property insurance costs of $430 thousand. These costs were the direct result of additional facilities completed and put on line during the current year.

- Depreciation expense for the year increased by $481 thousand.

2007 - 2008

- Salary expense increased significantly due to an early retirement incentive package offered to eligible employees. Under the plan, those employees who retired under the program will receive one years additional salary as an incentive. Total costs payable under program amounted to $4.4 million. An additional cost to salaries resulted from a 1% cost of living adjustment in addition to promotions, education and step adjustments. Total cost was approximately $883 thousand.

- Other expenses under the Institutional Support category increased by approximately $1.1 million over the previous years. The major contributing factor for the increase was a direct result of licensing, consulting, and software costs associated with the conversion of the college's software. Costs to date are approximately $994 thousand.

- Maintenance and Plant expenditures increased due to additional cost associated with upgrades to the colleges' infrastructure and improvements to existing facilities. Additional costs over previous years amounted to $1.3 million.

- Depreciation expense for the fiscal year increased $887 thousand due to the increase of equipment purchased during the last two fiscal years as part of the College building expansion project. In addition, construction costs which were previously shown in construction work in progress and not subject to depreciation were completed and included in buildings.

- Two major sources of revenue of the College, state appropriations and ad valorem tax revenue, are non-exchange transactions. Accordingly, these revenues are reported as non-operating revenue.

Key factors impacting non operating revenues and expense:

2008-2009

- Property taxes increased by $3.2 million. This increase was a direct result of and approval by the Board of Regents adopting a tax rate for 2008 in which total tax revenue would increase by approximately 7.85%.

- Investment income declined due to a decrease in earning rates and bond funds which were expended and therefore no longer invested. During the year investment income decreased by $1.1 million.

- Other non-operating expenses decreased by $1 million. This decrease was directly due to decline in expenses associated with bond expenditures. All bond projects under the 2003 bond issue were substantially completed at year end.

2007 – 2008

- Due to another large increase in the certified net assessed taxable value of property within the district, the college collected an additional $2.5 million in property tax revenue. Because of the growth the college was able to decrease the tax rate per $100 valuation from 0.2557 in 2007 to 0.2421 in 2008.

- Investment income declined due to a decrease in earnings rates. During the year investment income decreased by $1.6 million.

- State appropriation remained mostly unchanged. The College received an additional $352 thousand.

Statement of Cash Flows

The final statement presented by Del Mar College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the College during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Assets.

Capital Asset and Debt Administration

The College had $159 million invested in capital assets at August 31, 2009 and $154 million at August 31, 2008. Projects totaling $22 million were completed and moved from construction work in progress to building and improvements. These included the Coleman Center, Kinesiology, Flato, and Library building renovations. In addition numerous site improvement projects were completed. Additions of $7.1 million were added to construction work in progress primarily for the renovations being done to the St. Clair Building. New equipment purchases of $3.2 million dollars were also made.

Capital assets are net of accumulated depreciation of $63 million and $59 million for fiscal years 2009 and 2008, respectively. Depreciation charges totaled $5.7 million and $5.2 million for fiscal years 2009 and 2008, respectively.

On April 8, 2008, the College sold $25.5 million dollars in combined fee revenue bonds. The projects remaining include renovations and new construction on both the East and West Campuses. Principal payments of $4.2 million were made on outstanding general obligation bonds, $1 million on revenue bonds, and $1 million on leases payable.

Economic Outlook

Del Mar College was founded in 1935 and will celebrate 75 years of higher education service to the Coastal Bend community next year. The College is located in Corpus Christi, the eighth largest city in Texas and strategically situated on the Gulf of Mexico and the Intercoastal Waterway. The Port of Corpus Christi is currently ranked as the sixth largest port in the United States, with 85.8 million tons of cargo during the 2008 calendar year. The Corpus Christi economy provides a diversified product market including, metal fabrication, chemical processing, farm and ranch equipment, oil field equipment, cement, food processing, electronic and petrochemical products, fishing and seafood products. Other major industries in the region include rapidly developing health care systems, banking and financial services, and a vibrant tourism economy, generating over $1 billion per year.

New industry announcements during 2008-09 in Tianjin Pipe Company, a Chinese steel pipe mill planned in San Patricio County, which represents the largest single Chinese investment in the U.S. Although outside of the College District, the construction and operation of the steel mill will have a positive impact on the college, with 600 high paying positions once the mill is fully operational. Las Brisas, a coke fired power plant planned for the port area, is progressing through the permitting process. Construction is expected to begin in 2010, generating 1600 jobs. This facility will provide 300 permanent high paying jobs within the District.

The Corpus Christi Army Depot (CCAD), the regions largest employer, continues to expand and prosper. The College has numerous programs in collaboration with CCAD resulting in hundreds of graduates entering the workforce in high demand, high wage occupations annually. The collaborative academic programs has also created significant enrollment growth for a number of programs, including aviation maintenance, avionics, electroplating, nondestructive testing, industrial machining, and logistics/supply chain management.

The oil refinery industry continues to act as the primary buffer between the deep recession in other areas of the country and Texas, including the local economy. Texas is a net energy exporter and the oil and natural gas industry provides the region with at large number of relatively high paying, stable jobs. Wind energy is also establishing itself in the Coastal Bend, with major farms starting operations in Kennedy and San Patricio Counties and another planned for San Patricio County next year.

Tourism continues to be a vital part of the local economy. Corpus Christi remains the 6th most visited city in Texas, with over 7 million visitors coming to the area annually and spending nearly $1 billion. Tourist attractions include the Padre Island and city beaches, a major Spring Break and Summer vacation destination; the American Bank Center, with numerous entertainment venues; Whataburger Field, with its AA major league baseball team; the Texas State Aquarium; the USS Lexington Museum; and numerous sites designed to accommodate birding and marine activities.

The College District's property valuation continued to grow during the past year, although at a slower rate than the prior year which showed a 14.8% growth rate. The Certified Net Assessed Taxable Value grew 8.4% in 2008-09 to $17,526,444 growth is in sharp contrast to the double digit declines across the primary U.S. markets. The assessed value growth is expected to be also slower next year, but with the announced industry expansions and energy economy, the region still expects positive growth.

The College operates within the school districts of Calallen, Corpus Christi, Flour Bluff, Tuloso-Midway, and West Oso. Corpus Christi and the College have partnered in a Collegiate High School which will graduate its first class in 2010. Other area school districts have expressed an interest in starting other Early College programs. This is in addition to a growing dual credit program, serving 3,000 high school students annually. The College has also firmly established itself as a national presence in sponsored research. The $5 million National Geo-Tech Center, funded by the National Science Foundation, is a collaboration of industry, community colleges, and universities across the U.S. The Center has become the premier leader in applications of geospatial technology and professional development for educators, secondary through universities. The College has numerous other grant programs that have enabled the College to develop new programs to meet the needs of the local economy or enhance existing programs.

The College had $158,802,002 invested in capital assets in August, 2009. The College is committed to providing state-of-the-art facilities and technology to provide the local citizens and business and industry with an educated and productive workforce. This is clearly shown in the renovation of the Richardson Performance Hall, Kinesiology Building, Coleman Center, and Flato Technology Building, and construction for the Health Science and Emerging Technology Complex, the Garcia Science Building, the Public Safety Complex, and the Industrial Education Facilities. The College was also able to establish a Center for Economic Development to provide workforce and contract training for local business and industry.

The College remains in a unique position to continue to grow and prosper. Although the national economy is experiencing a recession, the College has been able to modernize and add capacity. Partnerships with local school districts and local industry have resulted in the College's highest enrollment on record and ongoing efforts to expand services into the service area should position the College for continued growth in the future.

Lee Sloan,
Interim Vice President of Administration & Finance
Del Mar College

This page left intentionally blank

BASIC FINANCIAL STATEMENTS

1. Reporting Entity

Del Mar College District, the College, was established in 1935, in accordance with the laws of the state of Texas, to serve the educational needs of Corpus Christi and the surrounding communities. The College is considered to be a special purpose, primary government engaged in business type activities according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14 *The Financial Reporting Entity*. While the College receives funding from local, State and Federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Reporting Guidelines

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

Tuition Discounting

Texas Public Education Grants
Certain tuition amounts are required to be set aside for use as scholarships for qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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

Other Tuition Discounts

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

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of consumable office supplies, physical plant supplies, food service supplies, and bookstore stock. Inventories are valued using the weighted average method and are charged to expense as consumed.

Capital Assets

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. Purchases of items with a life expectancy of greater than one year and with a cost in excess of $1,000 are considered capital assets. Audio visual equipment with a cost in excess of $300 is capitalized. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

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

Deferred Revenues

Deferred revenues at August 31, 2009 and 2008 consist of the following:

	2009	2008
Tuition and Fees	$ 8,804,423	$ 8,307,173
Federal, State and Local Grants	508,181	349,237
	$ 9,312,604	$ 8,656,410

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of the college bookstore is not performed by the College.

Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources as they are needed.

Comparative Information

Comparative information for the prior year has been presented to provide an understanding of changes in financial position and operations. Certain amounts presented in the prior years have been reclassified in order to be consistent with the current year's presentation.

3. Authorized Investments

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

4. Deposits and Investments

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

Reconciliation of Cash and Cash Equivalents to Exhibit 1

	2009		2008	
	College	Foundation	College	Foundation
Demand Deposits	$ 2,115,120	$ 32,522	$ -	$ 17,748
Money Market	735,000	149,446	-	129,219
Aim Mutual Funds	2,538,348	-	3,392,361	-
Tex Pool	1,945,075	-	14,110,117	-
Logic Pool	9,816,955	-	14,212,462	-
Tex Star	6,139,777	-	15,828,619	-
Certificate of Deposit	31,785,257	90,000	2,569,971	-
Commercial Paper	-	-	-	-
Petty Cash on Hand	19,316	-	18,316	-
Total Cash and Deposits	$ 55,094,848	$ 271,968	$ 50,131,846	$ 146,967
Exhibit 1				
Current Assets (Unrestricted)	$ 54,993,323	$ 271,968	$ 48,789,384	$ 146,967
Noncurrent Assets (Restricted)	101,525	-	1,342,462	-
	$ 55,094,848	$ 271,968	$ 50,131,846	$ 146,967

Investments included on Exhibit 1, Statement of Net Assets, consist of the items reported below:

Reconciliation of Investments to Exhibit 1

Type of Security	2009 College	2009 Foundation	2008 College	2008 Foundation
Commercial Paper	$ -	$ -	$ 5,509,406	$ -
Municipal Bonds	-	-	-	150,000
Stocks	-	2,287,462	-	2,977,214
Mutual Funds	-	2,328,979	-	2,972,745
Alternative Investments	-	329,189	-	-
Managed Futures	-	169,220	-	-
Donated Land	-	62,473	-	99,634
U.S. Government Agencies	-	-	10,511,898	-
Total Investments	$ -	$ 5,177,323	$ 16,021,304	$ 6,199,593
Exhibit 1				
Current Assets (Unrestricted)	$ -	$ 934,764	$ 16,021,304	$ 2,364,919
Noncurrent Assets (Restricted)	-	4,242,559	-	3,834,674
	$ -	$ 5,177,323	$ 16,021,304	$ 6,199,593

Interest Rate Risk

College

In order to limit interest and market rate risk from changes in interest rates, the College's adopted Investment Policy sets a maximum stated maturity limit of two years for operating funds and five years for reserve funds. The maximum weighted average maturity (WAM) of the operating funds portfolio is restricted to six months and compared quarterly to the six-month Treasury Bill.

At August 31, 2009, the portfolio contained no holdings with a stated maturity date beyond August 2010 (twelve months).

Foundation

In order to limit interest and market rate risk from changes in interest rates, the Foundation's Investment Policy sets a maximum stated maturity limit of one year for capital campaigns, special projects and short-term funds. Short-term funds will be held in limited-risk investment vehicles.

The Foundation’s endowment assets will have a long-time life span which parallels the life of the institution. As such, assets are invested in funds with maturities that extend well beyond a normal market cycle. However, by careful management and sufficient portfolio diversification, there will be lessened volatility in the investments, which will help to assure a reasonable consistency of return.

Credit Risk

College

In accordance with state law and the College’s investment policy, investments in U.S. government agencies, mutual funds, and local governmental investment pools must be rated at least AAA. The College’s policy further requires that local governmental investment pools be restricted to pools that are “2a-7 like” (constant dollar).

As of August 31, 2009, the College’s investments in money market mutual funds, and local governmental investment pools were all rated AAA by Standard and Poor’s.

Repurchase agreements are limited to those with defined termination dates with a primary dealer (as defined by the Federal Reserve) and require an industry standard, written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s). Repurchase agreements are restricted to those with a stated maximum maturity of 180 days. Reverse repurchase securities must be matched to the underlying reverse maturity.

Foundation

It is the Foundation’s investment policy to invest in equity securities, fixed income investment bonds and various other investment alternatives as deemed appropriate. The principal category of equity investments are common stocks, with emphasis on high quality, investment grade, dividend-paying stocks in companies that are financially sound and that have favorable prospects for earnings growth. In recognition of the increasing opportunities available in today’s dynamic investment universe to seek returns that may be less correlated to the traditional broad equity and fixed income markets, the Trustees may allocate up to 25% of the Fund Assets to alternative investments. Fixed Income bonds are invested in domestic, high quality corporate bonds with a minimum of an AA rating.

Concentration of Credit Risk

College

The College recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The Investment Policy establishes diversification as a major objective of the investment program and sets diversification limit for all authorized investment types which are monitored on at least a quarterly basis. Diversification limits are set as follows:

Investment Type	Percentage of Portfolio Allowable	Actual
U.S Obligations	80%	0%
U.S. Agencies/Instrumentalities	75%	0%
Certificates of Deposit	75%	61%
Repurchase Agreements	100%	0%
Local Governmental Investment Pools	100%	34%
Money Market Mutual Funds	50%	5%
Commercial Paper	25%	0%
Bankers Acceptances	20%	0%
Mutual Funds	10%	0%
Corporate Obligations	25%	0%

Foundation

The Foundation recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a quarterly basis. The general policy is to diversify investments of long-term funds among both equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. As a long-term guideline the investment categories should be equities 40%-50%, alternatives 15%-25%, fixed income 25%-35% and liquid funds of 2%-5%.

Custodial Credit Risk

College

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's Investment Policy and state law require that a third party hold collateral for all time and demand deposits and repurchase agreements in the College's name. At August 31, 2009, the College's portfolio contained 19 fully collateralized certificates of deposit. All demand deposits balances were secured by the depository institution pledging collateral to the College. The collateral was held by an independent institution and maintained at 102%.

Foundation

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Foundation maintains its cash and cash equivalents with financial institutions and a money market account with an investment company. The Foundation's deposits at financial institutions were entirely insured by federal depository insurance or were collateralized with securities held by the Foundation's agent in the Foundation's name. Investments, including cash and cash equivalents at the investment company, are insured by Security Investor Protection Corporation against loss due to theft or misappropriation.

5. Capital Assets

Capital assets activity for the year ended August 31, 2009 was as follows:

	Balance Sept 1, 2008	Increases	Decreases	Balance Aug 31, 2009
Not Depreciated:				
Land	$ 5,230,057	$ -	$ -	$ 5,230,057
Construction in Progress	21,754,761	7,078,123	21,794,474	7,038,410
Subtotal	26,984,818	7,078,123	21,794,474	12,268,467
Building and Other Capital Assets:				
Buildings and Improvements	140,460,281	21,794,474	-	162,254,755
Land Improvements	11,869,319	-	-	11,869,319
Library Books	5,571,265	169,964	-	5,741,229
Furniture, Machinery, Vehicles, and Other Equipment	28,088,450	3,076,467	1,445,013	29,719,904
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
Subtotal	186,448,813	25,040,905	1,445,013	210,044,705
Accumulated Depreciation:				
Buildings and Improvements	28,994,271	2,617,369	-	31,611,640
Land Improvements	8,241,794	303,862	-	8,545,656
Library Books	3,816,991	233,382	-	4,050,373
Furniture, Machinery, Vehicles, and Other Equipment	17,649,176	2,531,810	1,336,983	18,844,003
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
Subtotal	59,161,730	5,686,423	1,336,983	63,511,170
Net Other Capital Assets	127,287,083	19,354,482	108,030	146,533,535
Net Capital Assets	$ 154,271,901	$ 26,432,605	$ 21,902,504	$ 158,802,002

Capital assets activity for the year ended August 31, 2008 was as follows:

	Balance Sept 1, 2007	Increases	Decreases	Balance Aug 31, 2008
Not Depreciated:				
Land	$ 5,230,057	$ -	$ -	$ 5,230,057
Construction in Progress	25,997,387	16,830,412	21,073,038	21,754,761
Subtotal	31,227,444	16,830,412	21,073,038	26,984,818
Building and Other Capital Assets:				
Buildings and Improvements	119,387,243	21,073,038	-	140,460,281
Land Improvements	11,869,319	-	-	11,869,319
Library Books	5,389,053	182,212	-	5,571,265
Furniture, Machinery, Vehicles, and Other Equipment	25,611,241	4,223,204	1,745,995	28,088,450
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
Subtotal	162,716,354	25,478,454	1,745,995	186,448,813
Accumulated Depreciation:				
Buildings and Improvements	26,818,115	2,176,156	-	28,994,271
Land Improvements	7,867,708	374,086	-	8,241,794
Library Books	3,577,841	239,150	-	3,816,991
Furniture, Machinery, Vehicles, and Other Equipment	16,930,521	2,415,459	1,696,804	17,649,176
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
Subtotal	55,653,683	5,204,851	1,696,804	59,161,730
Net Other Capital Assets	107,062,671	20,273,603	49,191	127,287,083
Net Capital Assets	$ 138,290,115	$ 37,104,015	$ 21,122,229	$ 154,271,901

6. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2009 was as follows:

	Balance Sept. 1, 2008	Additions	Reductions	Balance Aug. 31, 2009	Current Portion
Bonds					
General obligation bonds and notes	$ 99,440,000	$ -	$ 4,170,000	$ 95,270,000	$ 4,445,000
Bond premium	2,970,881	-	295,082	2,675,799	-
Deferred amounts on refunding	(260,276)	-	(48,098)	(212,178)	-
Revenue bonds	33,150,000	-	1,030,000	32,120,000	1,405,000
Subtotal	135,300,605	-	5,446,984	129,853,621	5,850,000
Leases	3,915,574	547,228	1,034,823	3,427,979	1,162,734
Accrued Compensable Absences	5,624,521	212,617	1,480,974	4,356,164	250,000
Total long-term liabilities	$ 144,840,700	$ 759,845	$ 7,962,781	$ 137,637,764	$ 7,262,734

Long-term liability activity for the year ended August 31, 2008 was as follows:

	Balance Sept. 1, 2007	Additions	Reductions	Balance Aug. 31, 2008	Current Portion
Bonds					
General obligation bonds and notes	$ 103,305,000	$ -	$ 3,865,000	$ 99,440,000	$ 4,170,000
Bond premium	3,015,955	249,798	294,872	2,970,881	-
Deferred amounts on refunding	(308,817)	-	(48,541)	(260,276)	-
Revenue bonds	8,355,000	25,490,000	695,000	33,150,000	1,030,000
Subtotal	114,367,138	25,739,798	4,806,331	135,300,605	5,200,000
Notes	154,654	-	154,654	-	-
Leases	1,956,938	2,700,000	741,364	3,915,574	1,026,685
Accrued Compensable Absences	5,563,922	424,248	363,649	5,624,521	1,600,000
Total long-term liabilities	$ 122,042,652	$ 28,864,046	$ 6,065,998	$ 144,840,700	$ 7,826,685

7. Bonds

Bonds Payable-Combined Fee Revenue Bonds, Series 1997

On November 24, 1997, the College issued "Corpus Christi Junior College District Combined Fee Revenue Bonds, Series 1997" amounting to $13,000,000 for the purpose of providing funds to acquire, purchase, construct, improve, enlarge, equip, operate, and/or monitor various College facilities. On May 15, 2005, $7,450,000 of these bonds (bonds maturing after 2008) were refunded by the issuance of the Combined Fee Revenue Refunding Bonds, Series 2005. The source of revenue for debt service included pledged building use fees, matriculation fees, tuition fees, and other revenues from the current unrestricted fund. Interest was payable February 15 and August 15 at interest rates varying from 4.75% to 6.75%, with the final payment made August 15, 2008.

Bonds Payable-Limited Tax Refunding Bonds, Series 2001

On August 22, 2001, the College issued, “Del Mar College District Limited Tax Refunding Bonds”, amounting to $9,489,949. The bond issue refunded and defeased in substance, the College Series 1992, Refunding Tax Bonds. The 2001 Series Bonds were issued part as “Current Interest Bonds” and part as “Premium Capital Appreciation Bonds”. The Current Interest Bonds amounted to $8,060,000 and interest is payable February 15 and August 15 of each year at an interest rate of 4%. The Premium Capital Appreciation Bond principal amounts to $1,429,949. A premium of $198,438 was also received from the Premium Capital Appreciation Bonds. The bonds were secured by that portion of ad valorem tax collections necessary to pay the annual maturity of principal and interest.

Bonds Payable-Limited Tax Bonds, Series 2003

On August 15, 2003, the College issued, “Del Mar College District Limited Tax Bonds, Series 2003,” amounting to $53,545,000. Proceeds from the sale of the Bonds will be used to construct and equip school buildings in the District and purchase the necessary sites therefore, and to pay the cost of issuing the bonds. The Bonds represent the first installment of a total amount of $108,000,000 approved at an election held in the District on April 5, 2003. Interest is payable on February 15 and August 15 of each year at interest rates varying from 2.00% to 5.00%, with the final payment due August 15, 2023. The bonds having stated maturities on or after August 15, 2014 may be redeemed in whole or in part on August 15, 2013, or any date thereafter at the option of the District. The bonds are secured by that portion of ad valorem tax collections necessary to pay the annual maturity of principal and interest.

Advance Refunding Bonds-Combined Fee Revenue Refunding Bonds, Series 2005

On May 15, 2005, the College issued "Del Mar College District Combined Fee Revenue Refunding Bonds, Series 2005", amounting to $7,830,000. Proceeds from the sale of the Bonds were used to refund $7,450,000 of the District's outstanding Combined Fee Revenue Bonds, Series 1997. The 1997 Series are considered fully defeased and the liability for those bonds have been removed from the Statement of Net Assets. The advance refunding reduced the College's debt service payments over the next twelve years by $299,491. A premium of $99,332 was received from the issuance of the Bonds with an economic gain (difference between the present value of the debt service payments on the old and new debt) of $242,860. Interest on Series 2005 is payable on February 15 and August 15 of each year, commencing on May 15, 2005 at interest rates varying from 3% to 3.25% with the final payment due August 15, 2017. On August 15, 2015, or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities at the option of the College. The source of revenue includes pledged building use fees, matriculation fees, tuition fees and interest earnings on certain funds, including the Unrestricted Local Maintenance Fund.

Bonds Payable-Limited Tax Bonds, Series 2006

On February 9, 2006, the College issued, "Del Mar College District Limited Tax Bonds, Series 2006", amounting to $51,060,000. Proceeds from the sale of the Bonds will be used to construct and equip school buildings in the District and purchase the necessary sites therefore, and to pay the cost of issuing the bonds. The Bonds represent the second and final installment of a total amount of $108,000,000 approved at an election held in the District on April 5, 2003. A premium of $1,938,702 was received from the issuance of the Bonds. Interest is payable on February 15 and August 15 of each year at interest rates varying from 3.50% to 5.00%, with the final payment due August 15, 2026. The bonds having stated maturities on or after August 15, 2016 may be redeemed in whole or in part on August 15, 2015, or any date thereafter at the option of the College. The bonds are secured by that portion of ad valorem tax collections necessary to pay the annual maturity of principal and interest.

Bonds Payable-Combined Fee Revenue Bonds, Series 2008

On April 8, 2008, the College issued, "Del Mar College District Combined Fee Revenue Bonds, Series 2008", amounting to $25,490,000. Proceeds from the sale of the Bonds will be used to purchase, construct, improve, enlarge, maintain and equip various buildings and facilities of the District. A premium of $249,798 was received from the issuance of the Bonds. Interest is payable on February 15 and August 15 of each year at interest rates varying from 4.00% to 5.00%, with the final payment due August 15, 2028. On August 15, 2019, or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities at the option of the College. The source of revenue includes pledged building use fees, matriculation fees, tuition fees and interest earnings on certain funds, including the Unrestricted Local Maintenance Fund.

The principal and interest requirements for all general obligation and revenue bonds for the next five years and beyond are summarized below:

Year Ending August 31	General Obligation Bonds Principal	General Obligation Bonds Interest	Revenue Bonds Principal	Revenue Bonds Interest
2010	$ 4,445,000	$ 4,586,495	$ 1,405,000	$ 1,365,301
2011	4,705,000	4,414,920	1,730,000	1,319,579
2012	4,735,000	7,221,420	1,785,000	1,260,981
2013	4,945,000	4,011,570	1,865,000	1,190,506
2014	5,170,000	3,785,282	1,930,000	1,121,006
2015-2019	30,050,000	14,703,472	8,820,000	4,429,719
2020-2024	33,500,000	6,432,581	7,340,000	2,807,900
2025-2028	7,720,000	534,313	7,245,000	878,062
Total	$ 95,270,000	$ 45,690,053	$ 32,120,000	$ 14,373,054

8. Lease Obligations

Leases Payable-Banc of America Leasing and Capital, L.L.C

In December 2005, the College entered into a "Master Lease/Purchase Agreement with Banc of America Leasing and Capital, L.L.C. The maximum purchases allowable under the lease are $7,000,000. The Lease commencement date shall be no later than February 28, 2006 and may by mutual agreement be lengthened for a total of 2 one year extensions. Debt service payments will be comprised of semi-annual payments on February 1 and August 1 each year. As of August 31, 2008, the College had drawn $5,250,000 against the allowable line of credit. Accumulated depreciation on the assets leased amounted to $4,875,000 as of August 31, 2009. The lease term interest rate for draws made to date is between 2.98% and 4.01%.

Lease Payable – Wells Fargo Financial Leasing, Inc.

In June 2009, the college entered into a "Lease-Purchase Agreement with Wells Fargo Leasing, Inc. Property included under the terms of the lease include copiers located throughout the campus. Debt service payments are comprised of 60 monthly payments of $10,217, beginning August of 2009. Equipment totaling $547,228 was acquired under the lease terms. Accumulated depreciation on the assets leased amounted to $54,753 as of August 31, 2009. The lease term interest rate is 4.56%.

Future minimum lease payments for all capital lease obligations as of August 31, 2009 are as follows:

Year Ending August 31	
2010	1,271,614
2011	1,145,102
2012	708,219
2013	415,410
2014	112,386
Total minimum lease payments	3,652,731
Less amounts representing interest	224,752
Present value of minimum lease payments	$ 3,427,979

9. Notes Payable

Notes Payable-Energy Conservation, 1997

In 1997, the College was approved for a revolving loan in the amount of $1,928,758 from the State Energy Conservation Office. The interest rate on the note was 4.04% and the final payment was made in February 2008.

10. Employees' Retirement Plans

Teacher Retirement System

Plan Description:
The College contributes to the Teachers Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy:
Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member’s annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal year 2009, 2008 and 2007, and a state contribution rate of 6.4% for fiscal year 2009 and 6.58% for fiscal year 2008 and 6.0% for 2007. In certain instances the reporting district is required to make all or a portion of the state’s 6.4% contribution for fiscal year 2009 and 2008 and 6.0% for fiscal year 2007. State contributions to TRS made on behalf of the College employees for the years ended August 31, 2009, 2008 and 2007 were $1,590,518, $1,509,241, and $1,320,629, respectively. The total payroll for all College employees was $52,180,218, $42,353,343 and $44,442,044 for fiscal years 2009, 2008, and 2007, respectively.

The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the state and each participant are 6% and 6.58%, respectively. The College contributes 1.92% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The total payroll of employees covered by the Teacher Retirement System was $24,172,003 and $22,936,791, and the total payroll of employees covered by the Optional Retirement Program was $15,760,022 and $16,859,960 for fiscal years 2009 and 2008, respectively.

Alternate Retirement Plan

The College belongs to the Texas Public Junior and Community Colleges Employee Benefit Consortium. The Consortium has negotiated a 403(b) tax-sheltered annuity plan for part-time employees with Metropolitan Life. The College contributes 3.75% of participating employee compensation to the plan. Participation in the plan requires that employees contribute 3.75% of gross earnings. The College's contribution for this Alternate Retirement Plan totaled $57,745 and $51,237 for years August 31, 2009 and August 31, 2008, respectively.

Employee accounts are fully vested to the employee for the 3.75% of wages deducted from gross earnings, the 3.75% of wages contributed by the College, and the interest earned on the account. The payroll for employees covered by the Alternative Retirement Plan for the year ended August 31, 2009 and 2008 was $2,224,058 and $1,962,317, respectively.

11. Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

As of August 31, 2009, the College had 144 employees vested and participating in the program. A total of $1,234,729 in contributions was invested in the plan during the fiscal year.

As of August 31, 2008, the College had 177 employees vested and participating in the program. A total of $1,169,061 in contributions was invested in the plan during the fiscal year.

12. Compensable Absences

Twelve-month employees and personnel, whose duties are primarily teaching, earn annual vacation leave from 10 to 15 days per year, depending on the number of years employed by the College. The College's policy is that an employee may carry his/her accrued leave forward from one fiscal year to another fiscal year up to a maximum of 15 days. Persons terminating employment will receive, in lieu of the vacation itself, cash payment for unused vacation not to exceed fifteen days vacation.

The College grants sick leave to regular full-time employees and to regular part-time employees who work twenty or more hours per week, and full-time term employees whose term is for one semester or longer. Sick leave, which can be accumulated, is earned at the rate of up to 10 hours per month for a maximum of 120 working days. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. Up to 80 days of unused sick leave may be paid to an employee upon his/her retirement from the College at age 50 or older if he/she has at least ten years of eligible service for benefits at Del Mar College. The College's policy is to accrue the cost of the sick leave when earned.

At August 31, 2009 and 2008, the College had an accrued liability for the unpaid vacation and sick leave as follows:

	2009	2008
Vacation	$ 742,864	$ 845,143
Sick Leave	3,613,300	4,779,378
Total Liability for Compensable Absences	$ 4,356,164	$ 5,624,521

The College recognized $250,000 and $1,600,000 of the liability above as a current liability for the years ended August 31, 2009 and 2008 respectively.

13. Pending Lawsuits and Claims

At August 31, 2009, various lawsuits and claims involving Del Mar College were pending. While the ultimate liability with respect to litigation asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

14. Disaggregation of Receivables and Payables Balances

Receivables

Receivables at August 31, 2009 and 2008 were as follows:

	2009	2008
Student Receivables	$ 3,319,820	$ 3,172,769
Federal Receivables	1,297,705	1,623,217
Interest Receivables	226,848	137,967
State ORP Contribution Receivable	214,570	-
Total Receivables	5,058,943	4,933,953
Less: Allowance for Doubtful Accounts	862,290	762,659
Net Receivables	$ 4,196,653	$ 4,171,294

Taxes receivable of $1,374,782 and $1,249,832 are net of the allowance for doubtful accounts of $807,412 and $734,028 at August 31, 2009 and 2008, respectively.

The Foundation has received promises and been awarded grants. Unconditional promises to give at June 30, 2009 and 2008 are as follows:

	2009	2008
Center for Early Learning	$ 1,581	$ 2,489
Student Scholarships	196,219	348,651
Health Sciences Building	220	655
Staff and Faculty Enrichment	886	858
Make a Difference	756	10,655
Total unconditional promises to give	199,662	363,308
Less: unamortized discount	3,129	8,552
Net unconditional promises to give	$ 196,533	$ 354,756
Amounts due in:		
Less than one year	$ 119,607	$ 159,902
One to five years	76,926	194,854
Total	$ 196,533	$ 354,756

A discount rate of 2.91% was used on long-term promises to give in 2009 and 2008, respectively. The Foundation considers promises to give fully collectible; accordingly, no allowance for uncollectible promises has been provided.

Payables

Payables at August 31, 2009 and 2008 were as follows:

	2009	2008
Vendors Payable	$ 1,014,061	$ 1,587,960
Salaries & Benefits Payable	215,318	191,459
Students Payable	323,146	415,170
Accrued Interest	199,217	208,185
Total Payables	$ 1,751,742	$ 2,402,774

15. Contract and Grant Awards

For federal contract and grant awards, funds expended but not collected, are reported as Federal Receivables in Footnote 14. Non-federal contract and grant awards for which funds are expended but not collected are reported in Accounts Receivable on Exhibit 1. Revenues are recognized on Exhibit 2 and Schedule A. Contract and grant awards that are not yet funded and for which the institution has not performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 2009 and 2008 for which monies have not been received nor funds expended totaled $6,297,107 and $9,117,544, respectively. Of these amounts, $5,972,402 and $8,828,154 were from Federal Contract and Grant Awards; and $324,705 and $289,390 were from Private Contract and Grant Awards for the fiscal years ended 2009 and 2008, respectively.

16. Post Retirement, Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee ranged from $361 to $705 per month for the year ended August 31, 2009 ($344 to $671 per month for 2008) and totaled $4,018,340 for 2009 ($4,018,340 for the year ended 2008). The cost of providing those benefits for 382 retirees in the year ended 2009 was $1,844,895 (retiree benefits for 326 retirees cost $1,556,405 in 2008). For 703 active employees, the cost of providing benefits was $3,617,140 for the year ended 2009 (active employee benefits for 607 employees cost $3,749,256 for the year ended 2008).

17. Ad Valorem Tax

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

	2009	2008
Assessed Valuation of the College District	$19,544,899,199	$18,358,576,870
Less: Exemptions	1,696,049,341	1,381,489,073
Net Assessed Valuation of the College District	$17,848,849,858	$16,977,087,797

	Current Operations	Debt Service	Total
Tax Rate per $100 valuation for authorized	$0.5000	$0.5000	$1.0000
Tax Rate per $100 valuation for assessed	$0.1906	$0.0512	$0.2418

Taxes levied for the year ended August 31, 2009 and 2008 amounted to $41,223,441 and $38,021,811, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Fiscal Year Ended August 31, 2009:

Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	$ 30,665,141	$ 8,263,566	$ 38,928,707
Delinquent Taxes Collected	1,362,939	366,155	1,729,094
Penalties and Interest Collected	396,796	106,600	503,396
Total Collections	$ 32,424,876	$ 8,736,321	$ 41,161,197

Fiscal Year Ended August 31, 2008:

Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	$ 28,264,572	$ 8,351,494	$ 36,616,066
Delinquent Taxes Collected	679,163	205,115	884,278
Penalties and Interest Collected	362,464	86,834	449,298
Total Collections	$ 29,306,199	$ 8,643,443	$ 37,949,642

Tax collections for the year ended August 31, 2009 and 2008 were respectively 100.04% and 100.10% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

18. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(b), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2009 and 2008.

19. Component Unit

Del Mar College Foundation (the Foundation) was established as a separate nonprofit organization in 1983 to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Audit Standards Board Statement No. 39, Determining Whether Certain Organizations are Component Units, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation financial statements are included in the College's annual report as a discrete component unit (see table of contents). Complete financial statements of the Del Mar College Foundation can be obtained from the administrative office of the Foundation.

The Del Mar College Foundation, Inc. (the Foundation) is a non-profit organization with the sole purpose of supporting educational and other activities of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. Contributions to the Foundation may be given for specific purposes or given without restriction. The Foundation remitted restricted gifts to the college of $2,572 and $1,902 through the Foundation for the years ended June 30, 2009 and 2008, respectively.

20. Risk Management

The College is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2009, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

21. Retirement Incentive Plan

The College elected with the approval of the Board of Regents to offer a retirement incentive plan to eligible employees. All eligible employees who elected the option will receive one times their annual salary, with 30% to be disbursed on September 30, 2008 and 70% on January 31, 2009. At August 31, 2008, the accrued liability for the retirement incentive plan is $4,388,668.

Del Mar College
Schedule of Operating Revenues
Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2009 Total	2008 Total
Tuition:						
State funded credit courses:						
In-district resident tuition	$ 6,980,661	$ -	$ 6,980,661	$ -	$ 6,980,661	$ 6,471,466
Out-of-district resident tuition	689,893	-	689,893	-	689,893	624,033
Non-resident tuition	220,829	-	220,829	-	220,829	224,483
TPEG - credit (set aside) *	468,514	-	468,514	-	468,514	436,445
State-funded continuing education	704,496	-	704,496	-	704,496	1,094,655
TPEG - non-credit (set aside) *	18,811	-	18,811	-	18,811	47,113
Non-state funded educational programs	419,984	-	419,984	-	419,984	416,246
Total Tuition	9,503,188	-	9,503,188	-	9,503,188	9,314,441
Fees:						
Building use fee	2,209,180	-	2,209,180	-	2,209,180	1,722,159
General fee	5,946,067	-	5,946,067	-	5,946,067	4,912,080
Student service fee	-	-	-	205,214	205,214	200,417
Out-of-District Fee	2,619,311	-	2,619,311	-	2,619,311	2,505,949
Class Repeat Fee	203,900	-	203,900	-	203,900	216,050
Non-instructional contract training fees	151,040	-	151,040	-	151,040	955,450
Laboratory Fees	853,804	-	853,804	-	853,804	852,818
Total Fees	11,983,302	-	11,983,302	205,214	12,188,516	11,364,923
Scholarship allowances and discounts:						
Remissions and exemptions - state	(657,504)	-	(657,504)	-	(657,504)	(526,755)
Remissions and exemptions - local	(466,753)	-	(466,753)	-	(466,753)	(454,850)
Title IV federal grants	(7,037,299)	-	(7,037,299)	-	(7,037,299)	(5,035,855)
Other federal grants	(415,688)	-	(415,688)	-	(415,688)	(243,118)
TPEG awards	(1,021,932)	-	(1,021,932)	-	(1,021,932)	(270,973)
Other state grants	(112,449)	-	(112,449)	-	(112,449)	(116,248)
Total Scholarship Allowances	(9,711,625)	-	(9,711,625)	-	(9,711,625)	(6,647,799)
Total Net Tuition and Fees	11,774,865	-	11,774,865	205,214	11,980,079	14,031,565
Additional operating revenues:						
Federal grants and contracts	24,991,665	-	24,991,665	-	24,991,665	19,118,056
State grants and contracts	2,357,887	-	2,357,887	-	2,357,887	1,688,871
Local grants and contracts	957,000	-	957,000	-	957,000	698,364
General operating revenues	1,260,209	-	1,260,209	-	1,260,209	1,464,530
Total Additional Operating Revenues	29,566,761	-	29,566,761	-	29,566,761	22,969,821
Auxiliary Enterprises:						
Bookstore	-	-	-	52,962	52,962	48,783
Food Service	-	-	-	624,331	624,331	487,023
Vending	-	-	-	108,282	108,282	97,706
Rents	-	-	-	134,557	134,557	115,514
Childcare Center	-	-	-	379,073	379,073	394,699
Other	-	-	-	171,385	171,385	68,871
Total Net Auxiliary Enterprises	-	-	-	1,470,590	1,470,590	1,212,596
Total Operating Revenues	$ 41,341,626	$ -	$ 41,341,626	$ 1,675,804	$ 43,017,430	$ 38,213,982
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, $487,395 and $483,558 for years August 31, 2009 and 2008, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

Schedule B

Del Mar College

Schedule of Operating Expenses by Object

Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	Operating Expenses					
	Salaries	Benefits		Other	2009	2008
	and Wages	State	Local	Expenses	Total	Total
Unrestricted - Educational Activities						
Instruction	$ 25,978,422	$ -	$ 2,867,609	$ 1,561,578	30,407,609	$ 32,319,602
Public Service	26,305	-	825	1,376	28,506	33,314
Academic Support	3,939,112	-	506,885	897,117	5,343,114	5,514,670
Student Services	3,571,679	-	473,078	1,283,987	5,328,744	6,558,916
Institutional Support	7,051,701	-	896,664	5,106,619	13,054,984	13,468,222
Operation and Maintenance of Plant	2,601,831	-	331,067	8,282,131	11,215,029	10,828,390
Total Unrestricted Educational Activities	43,169,050	-	5,076,128	17,132,808	65,377,986	68,723,114
Restricted - Educational Activities						
Instruction	$ -	$ 3,511,515	$ -	$ -	$ 3,511,515	$ 3,513,015
Public Service	-	1,011	-	-	1,011	1,243
Academic Support	-	620,703	-	-	620,703	568,622
Student Services	2,454,335	829,806	204,566	1,829,012	5,317,719	5,820,280
Institutional Support	-	1,098,004	-	-	1,098,004	1,028,227
Operation and Maintenance of Plant	-	405,406	-	-	405,406	453,022
Scholarships and Fellowships	247,007	19,745	16,124	15,276,032	15,558,908	10,969,849
Total Restricted Educational Activities	2,701,342	6,486,190	220,690	17,105,044	26,513,266	22,354,258
Total Educational Activities	45,870,392	6,486,190	5,296,818	34,237,852	91,891,252	91,077,372
Auxiliary Enterprises	872,045	-	-	854,161	1,726,206	1,736,903
Depreciation Expense - Buildings and other real estate improvements	-	-	-	2,617,369	2,617,369	2,550,542
Depreciation Expense - Equipment and furniture	-	-	-	3,069,053	3,069,053	2,654,609
Total Operating Expenses	**$ 46,742,437**	**$ 6,486,190**	**$ 5,296,818**	**$ 40,778,435**	**$ 99,303,880**	**$ 98,019,426**
					(Exhibit 2)	(Exhibit 2)

Schedule C

Del Mar College
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	Unrestricted	Restricted	Auxiliary Enterprises	2009 Total	2008 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	$ 18,658,681	$ -	$ -	$ 18,658,681	$ 18,658,677
State Group Insurance	-	4,018,340	-	4,018,340	4,018,340
State Retirement Matching	-	2,467,849	-	2,467,849	2,391,816
Total State Appropriations	18,658,681	6,486,189	-	25,144,870	25,068,833
Maintenance Ad Valorem Taxes	32,549,826	-	-	32,549,826	29,428,339
Debt Service Ad Valorem Taxes	-	8,736,321	-	8,736,321	8,643,443
Gifts	216,497	-	-	216,497	103,475
Gain on Disposal of Capital Assets	-	-	-	-	-
Contributions from Del Mar College Foundation, Inc.	2,572	-	-	2,572	1,902
Investment Income	802,257	-	-	802,257	1,985,159
Other Non-Operating Revenue	309,453	-	-	309,453	125,872
Total Non-Operating Revenues	52,539,286	15,222,510	-	67,761,796	65,357,023
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	6,139,629	-	-	6,139,629	5,735,106
Loss on Disposal of Capital Assets	59,130	-	-	59,130	44,620
Other Non-Operating Expense	28,118	-	-	28,118	1,033,002
Total Non-Operating Expenses	6,226,877	-	-	6,226,877	6,812,728
Net Non-Operating Revenues	$ 46,312,409	$ 15,222,510	$ -	$ 61,534,919	$ 58,544,295
				(Exhibit 2)	(Exhibit 2)

Schedule D

Del Mar College

Schedule Of Net Assets by Source and Availability
Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008

	Detail by Source					Available for Current Operations	
		Restricted		Capital Assets Net of Depreciation & Related Debt			
	Unrestricted	**Expendable**	**Non-Expendable**		**Total**	**Yes**	**No**
Current:							
Unrestricted	$ 15,833,423	$ -	$ -	$ -	$ 15,833,423	$ 15,833,423	$ -
Restricted		1,226	-	-	1,226	1,226	-
Auxiliary enterprises	(817,316)		-	-	(817,316)	(817,316)	-
Loan	-	318,303	-	-	318,303	-	318,303
Endowment:							
Quasi:							
Unrestricted	1,365,888	-	-	-	1,365,888	-	1,365,888
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:		-					
Unexpended	-	-	-	50,720,866	50,720,866	-	50,720,866
Renewals	-	-	-	-	-	-	-
Debt Service	-	3,309,743	-	-	3,309,743	-	3,309,743
Investment in Plant	-	-	-	-	-	-	-
Total Net Assets, August 31, 2009	**$ 16,381,995**	**$ 3,629,272**	**$ -**	**$ 50,720,866**	**$ 70,732,133 (Exhibit 1)**	**$ 15,017,333**	**$ 55,714,800**
Total Net Assets, August 31, 2008	**14,654,722**	**4,739,395**	**-**	**46,089,547**	**65,483,664 (Exhibit 1)**	**17,188,442**	**49,556,371**
Net Increase (Decrease) in Net Assets	**$ 1,727,273**	**$ (1,110,123)**	**$ -**	**$ 4,631,319**	**$ 5,248,469 (Exhibit 2)**	**$ (2,171,109)**	**$ 6,158,429**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 15, 2009

Board of Regents
Del Mar College District
Corpus Christi, Texas

We have audited the accompanying financial statements of the Del Mar College District (the College) and its discretely presented component unit, as of and for the years ended August 31, 2009 and 2008 and June 30, 2009 and 2008, respectively, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas, *Single Audit Circular*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2009-1.

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

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

<u>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</u>

December 15, 2009

Board of Regents
Del Mar College District
Corpus Christi, Texas

<u>Compliance</u>

We have audited the compliance of the Del Mar College District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

As described in item 2009-1 in the accompanying schedule of findings and questioned costs, the Del Mar College District did not comply with requirements regarding the Davis-Bacon Act that are applicable to its Title V Higher Education Institutional Aid grant. Compliance with such requirements is necessary, in our opinion, for the Del Mar College District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Del Mar College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2009.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

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

DEL MAR COLLEGE DISTRICT

SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2009

Section I:
Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
• Noncompliance material to the financial statements noted?	No

Federal Awards:

• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	Yes
Type of auditor's report on compliance for major federal programs:	Qualified
Any audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes

Identification of Major Programs:

U.S. Department of Education Financial Aid Cluster:

84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
84.033	Federal College Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Loan Program

U.S. Department of Defense:

12.002	Procurement Technical Assistance for Business Firms

U.S. Department of Education:

84.031	Higher Education Institutional Aid

Dollar threshold used to distinguish between Type A and Type B programs:	$749,750
Auditee qualified as low risk auditee:	Yes

Section II:
Findings - Financial Statement Audit

None reported.

Section III:
Findings and Questioned Costs – Major Federal Award Programs

2009-1 <u>FEDERAL COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE</u>

FEDERAL PROGRAM INFORMATION: Higher Education Institutional Aid, Federal Catalog No. 84.031, U.S. Department of Education

CRITERIA: According to Federal requirements under the Davis Bacon Act, the College must ensure that contractors on construction projects financed with Federal awards are paid the prevailing wage stipulated by Federal wage determinations.

CONDITION: Of the $4,254,000 contract for the physical renovation of the St. Clair building, $405,000 was federally funded for the creation of the new Student Success Center. The contract for construction did not contain required prevailing wage clauses regarding federal projects and the federal prevailing wage was not paid to the contractors performing the Student Success Center portion of the renovation.

QUESTIONED COSTS: Not applicable

CONTEXT: Construction costs for the College funded by federal funds is infrequent if not rare. It appears that management failed to communicate to the architect and the general contractor that federal funds were used.

EFFECT: The College could be requested to pay the difference between the federal prevailing wages and the wages actually paid to the contractors involved or future funds could be withheld for this difference.

CAUSE: The need for compliance with the Davis Bacon Act was overlooked.

RECOMMENDATION: The College should implement procedures to include the consideration of whether federal funds are being used for construction contracts and, if so, communication to involved parties occurs.

COLLEGE'S RESPONSE: We agree with the Auditor's finding. We will implement procedures to ensure that administrators overseeing construction projects are aware of Davis Bacon requirements.

Section IV:
Prior Year Findings

None reported.

Del Mar College
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. Department of Education			
Financial Aid Cluster - Direct Programs:			
SEOG	84.007		$ 269,701
Federal College Workstudy Program	84.033		385,096
Federal Pell Grant	84.063		13,243,547
Direct Loans	84.268		6,210,156
Total Financial Aid Cluster			20,108,500
Direct Programs:			
Child Care Access	84.335A		98,330
Minority Science Improvement	84.120A		4,219
Title V - Higher Education Institutional Aid	84.031S		407,894
TRIO Student Support Services	84.042		248,698
Academic Competitive Grant	84.375		347,031
Total Direct Programs			1,106,172
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	94215	39,932
Carl Perkins Vocational Education - Leadership	84.048	91202	84,696
Carl Perkins - Other	84.048	94215	745,997
Carl Perkins Tech Prep Program	84.243	91708	270,584
Carl Perkins ACC Texas Network	84.048	31499165/6591	6,715
CB - 2+2+2 College Connections Transfer	84.378		69,161
Leaveraging Educational Assistance Partnership	84.069A		18,393
STATE- LEAP	84.069B		21,899
Robert C Byrd Honors	84.185		875
Total of Department of Education			22,472,923
U.S. Department of Defense			
Defense Logistics Agency			
Procurement Technical Assistance of Business Firms	12.002		297,591
National Science and Space Administration			
Direct Program:			
TexPrep	43.001		35,485
National Science Foundation			
Direct Program:			
CSEMS	47.076		60,791
SSTEM	47.076		139,294
Pass-Through from Texas A & M College Station			
SUCCESS	47.076		151,391
Cyb NTG Center	47.076		435,421
Aims	47.076		47,258
V-Tech	47.080		14,659
Pass-Through from National Council for Geographic Education			
iGETT	47.076		24,570
Total National Science Foundation			873,384
Small Business Administration			
Direct Program:			
Small Business Development Center	59.037	9-603001-z0049-23dmc	308,095
Small Business Administration	59.006		13,524
Total Small Business Administration			321,619
Department of Labor			
Direct Program:			
STAP	17.269		779,486
United States Department of Agriculture			
Direct Program:			
STELLAR	10.223		44,978
United States Department of Housing and Urban Development			
Pass-Through from City of Corpus Christi			
CITY CDBG GRANT	14.218		166,198
Total Federal Financial Assistance			$ 24,991,665

Del Mar College
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2009

SCHEDULE E (Continued)

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	$ 24,991,665
Total Federal Revenues per Schedule of Expenditures of Federal Awards	$ 24,991,665

Note 2: Significant Accounting Policies used in Preparing the Schedule

The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represents funds that have been expended by the college for the purpose of the award. The expenditures reported above may not have been reimbursed by the funding agency as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements.

Note 3: Expenditures not Subject of Federal Single Audit

None

Note 4: Nonmonetary federal assistance received

The amount of $23,300 (FMV) was passed through to Del Mar College by the U.S. General Services Administration from the Donation of Federal Surplus Personal Property Program (CFDA #39.003).

Note 5: Amounts passed through by the College

The following amounts were passed-through to the listed subrecipients by the college. These amounts were from the Coastal Bend Tech Prep CFDA #84.243 from the US Department of Education through the Texas Higher Education Coordinating Board.

Aransas County ISD	$ 135
Ben Bolt Palito Blanco ISD	2,903
Bishop ISD	2,179
Calallen ISD	6,884
Corpus Christi ISD	17,808
Flour Bluff ISD	3,551
Gregory Portland ISD	300
Ingleside ISD	180
Kingsville ISD	3,479
Mathis ISD	4,205
Odem-Edroy ISD	100
Pettus Secondary ISD	1,638
Port Aransas ISD	120
Richard Milburn Academy	80
Rivera ISD	265
Robstown ISD	3,944
Sinton ISD	390
Skidmore ISD	3,354
Taft ISD	1,243
Tuloso-Midway ISD	6,058
West Oso ISD	225
Total amount of passed-through	$ 59,042

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

December 15, 2009

Board of Regents
Del Mar College District
Corpus Christi, Texas

Compliance

We have audited the compliance of the Del Mar College District with the types of compliance requirements described in *the State of Texas Single Audit Circular* that are applicable to each of its major State programs for the year ended August 31, 2009. The College's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended August 31, 2009.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

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

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

DEL MAR COLLEGE DISTRICT

SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2009

Section I:
Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
• Noncompliance material to the financial statements noted?	No

State Awards:

• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
Type of auditor's report on compliance for major state programs:	Unqualified
Any audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
Identification of Major Programs:	
Nursing Shortage Skills Training Agreement	
Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low risk auditee:	Yes

Section II:
Findings - Financial Statement Audit

None reported.

Section III:
Findings and Questioned Costs – Major Federal Award Programs

None reported.

Section IV:
Prior Year Findings

None reported.

This page left intentionally blank.

Del Mar College
Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2009

Grantor Agency/ Program Title		Grant Contract Number	Expenditures
Texas Workforce Commission			
	WFB - iGrow/Welding Academy		$ 44,606
Texas Higher Education Coordination Board			
	Texas College Work Study		46,967
	Texas Grant Program		1,145,003
	Nursing Shortage		294,368
	G Force Mentors		41,178
	College Connections		24,935
	CB Vertical Team		1,407
	P16 Special Advr		4,664
	Course Redesign		111,498
	CB Summer Bridge		3,004
	CB Intensive		2,979
Texas Department of Human Services			
	Nutrition Program		54,281
Workforce Development Board			
	Skills Training Agreement	TWC22005SSF000	234,716
	Halliburton	BC0809.1TWC	287,815
	Nursing Lab		60,466
Total State Financial Assistance			$ 2,357,887

Notes to Schedule on Following Page

Del Mar College
Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2009

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A		
State Financial Assistance		
Per Schedule of expenditures of state awards	$	2,357,887
State Financial Assistance		
Continuing Education tuition and fees included in Schedule A captioned "Tuition and Fees"		704,496
Total State Revenues per Schedule A	$	3,062,383

Note 2: Significant Acconting Policies used in Preparing the Schedule

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

Del Mar College
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002 to 2009
(unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,							
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Invested in capital assets, net of related debt	$50,721	$46,089	$43,079	$41,662	$41,134	$36,643	$40,606	$38,752
Restricted - expendable	3,629	4,740	5,135	2,922	2,210	3,828	2,609	4,994
Restricted - nonexpendable	-	-	-	-	-	-	-	-
Unrestricted	16,382	14,655	18,531	15,691	13,471	11,912	5,622	7,814
Total primary government net assets	$ 70,732	$ 65,484	$ 66,745	$ 60,275	$ 56,815	$ 52,383	$ 48,837	$ 51,560

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Del Mar College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to 2009
(unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Tuition and Fees (Net of Discounts)	$11,980	$14,031	$13,905	$12,385	$10,396	$9,751	$7,293	$6,029
Governmental Grants and Contracts								
Federal Grants and Contracts	25,279	19,118	18,457	19,179	19,683	20,450	14,976	12,910
State Grants and Contracts	2,070	1,689	1,140	1,099	911	1,588	1,909	1,288
Local Grants and Contracts	957	698	1,015	772	660	605	844	289
Auxiliary enterprises	1,471	1,213	1,307	1,172	920	806	615	310
General Operating Revenues	1,260	1,464	1,490	1,122	1,459	1,252	4,118	1,117
Total Operating Revenues	43,017	38,213	37,314	35,729	34,029	34,452	29,755	21,943
State Appropriations	25,145	25,069	24,716	24,564	24,238	24,181	24,178	24,986
Maintenance Ad Valorem Taxes	32,550	29,428	26,600	24,567	23,271	21,996	21,653	20,548
Debt Service Ad Valorem Taxes	8,736	8,643	8,935	4,790	4,818	4,715	1,944	1,920
Gifts	216	104	140	96	-	-	63	50
Gain on Disposal of Capital Assets	(59)	(44)	56	111	50	-	-	-
Investment Income	802	1,985	3,634	3,498	2,065	811	313	591
Retirement of Capital Assets	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	309	126	91	98	34	40	-	-
Contribution from Del Mar Foundation, Inc.	3	2	2	248	343	226	308	904
Total Non-Operating Revenues	67,702	65,313	64,174	57,972	54,819	51,969	48,459	48,999
Total Revenues	$ 110,719	$ 103,526	$ 101,488	$ 93,701	$ 88,848	$ 86,421	$ 78,214	$ 70,942

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Tuition and fees (net of discounts)	10.82%	13.55%	13.70%	13.22%	11.70%	11.28%	9.32%	8.50%
Governmental grants and contracts								
Federal grants and contracts	22.83%	18.47%	18.19%	20.47%	22.15%	23.66%	19.15%	18.20%
State grants and contracts	1.87%	1.63%	1.12%	1.17%	1.03%	1.84%	2.44%	1.82%
Local grants and contracts	0.86%	0.67%	1.00%	0.82%	0.74%	0.70%	1.08%	0.41%
Auxiliary enterprises	1.33%	1.17%	1.29%	1.25%	1.04%	0.93%	0.79%	0.44%
General Operating Revenues	1.14%	1.41%	1.47%	1.20%	1.64%	1.45%	5.27%	1.57%
Total Operating Revenues	38.85%	36.91%	36.77%	38.13%	38.30%	39.87%	38.04%	30.93%
State Appropriations	22.71%	24.22%	24.35%	26.22%	27.28%	27.98%	30.91%	35.22%
Maintenance Ad Valorem Taxes	29.40%	28.43%	26.21%	26.22%	26.19%	25.45%	27.68%	28.96%
Debt Service Ad Valorem Taxes	7.89%	8.35%	8.80%	5.11%	5.42%	5.46%	2.49%	2.71%
Gifts	0.20%	0.10%	0.14%	0.10%	0.00%	0.00%	0.08%	0.07%
Gain on Disposal of Capital Assets	-0.05%	-0.04%	0.06%	0.12%	0.06%	0.00%	0.00%	0.00%
Investment Income	0.72%	1.92%	3.58%	3.73%	2.32%	0.94%	0.40%	0.83%
Retirement of Capital Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Non-Operating Revenues	0.28%	0.12%	0.09%	0.10%	0.04%	0.05%	0.00%	0.00%
Contribution from Del Mar Foundation, Inc.	0.00%	0.00%	0.00%	0.26%	0.39%	0.26%	0.39%	1.27%
Total Non-Operating Revenues	61.15%	63.09%	63.23%	61.87%	61.70%	60.13%	61.96%	69.07%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Del Mar College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to 2009
(unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Instruction	$33,919	$35,833	$34,004	$31,712	$30,269	$27,640	$25,407	$30,455
Public service	30	35	36	20	62	101	349	193
Academic support	5,964	6,083	5,713	5,621	5,753	5,723	5,222	6,209
Student services	10,647	12,379	10,746	11,354	9,944	10,069	10,809	8,703
Institutional support	14,153	14,497	12,356	10,653	10,998	9,448	14,396	12,524
Operation and maintenance of plant	11,620	11,281	9,766	9,096	7,833	6,968	6,992	6,213
Scholarships and fellowships	15,559	10,970	10,136	10,560	11,093	12,603	12,826	334
Auxiliary enterprises	1,726	1,737	1,608	1,505	1,322	801	931	363
Depreciation	5,686	5,205	4,318	3,871	3,444	3,570	2,647	3,177
Total Operating Expenses	99,304	98,020	88,683	84,392	80,718	76,923	79,579	68,171
Interest on capital related debt	6,140	5,735	5,313	4,610	3,030	3,481	1,159	-
Other Non-Operating Expenses	28	1,033	1,023	1,185	668	244	155	-
Total Non-Operating Expenses	6,168	6,768	6,336	5,795	3,698	3,725	1,314	-
Total Expenses	$ 105,472	$ 104,788	$ 95,019	$ 90,187	$ 84,416	$ 80,648	$ 80,893	$ 68,171

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Instruction	32.16%	34.20%	35.79%	35.16%	35.86%	34.27%	31.41%	44.67%
Public service	0.03%	0.03%	0.04%	0.02%	0.07%	0.13%	0.43%	0.28%
Academic support	5.65%	5.81%	6.01%	6.23%	6.82%	7.10%	6.46%	9.11%
Student services	10.09%	11.81%	11.31%	12.59%	11.78%	12.49%	13.36%	12.77%
Institutional support	13.42%	13.83%	13.00%	11.81%	13.03%	11.72%	17.80%	18.37%
Operation and maintenance of plant	11.02%	10.77%	10.28%	10.09%	9.28%	8.64%	8.64%	9.11%
Scholarships and fellowships	14.75%	10.47%	10.67%	11.71%	13.14%	15.63%	15.86%	0.49%
Auxiliary enterprises	1.64%	1.66%	1.69%	1.67%	1.57%	0.99%	1.15%	0.53%
Depreciation	5.39%	4.97%	4.54%	4.29%	4.08%	4.43%	3.27%	4.66%
Total Operating Expenses	94.15%	93.54%	93.33%	93.57%	95.62%	95.38%	98.38%	100.00%
Interest on capital related debt	5.82%	5.47%	5.59%	5.11%	3.59%	4.32%	1.43%	0.00%
Loss on disposal of fixed assets	0.03%	0.99%	1.08%	1.31%	0.79%	0.30%	0.19%	0.00%
Total Non-Operating Expenses	5.85%	6.46%	6.67%	6.43%	4.38%	4.62%	1.62%	0.00%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

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

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	Technology Fees	Student Activity Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2008	$ 0	$ 37	$ 137	$ 30	$ 57	$ 861	$ 2,061	11.24%	4.41%
2007	0	35	135	26	42	774	1,974	1.84%	0.71%
2006	0	34	134	26	40	760	1,960	34.75%	73.76%
2005	0	28	75	14	60	564	1,128	2.17%	1.08%
2004	0	27	74	14	60	552	1,116	4.55%	10.71%
2003	0	25	65	14	60	528	1,008	15.54%	33.16%
2002	0	22	47	14	25	457	757	2.70%	1.61%
2001	0	21	46	14	25	445	745	8.80%	40.83%
2000	0	20	30	12	25	409	529	11.14%	9.75%
1999	0	19	29	10	20	368	482		

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Student Activity Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2008	$ 0	$ 174	$ 174	$ 30	$ 57	$ 2,505	$ 2,505	3.60%	3.60%
2007	0	172	172	26	42	2,418	2,418	0.58%	0.58%
2006	0	171	171	26	40	2,404	2,404	57.74%	57.74%
2005	0	108	108	14	60	1,524	1,524	0.79%	0.79%
2004	0	107	107	14	60	1,512	1,512	7.69%	7.69%
2003	0	98	98	14	60	1,404	1,404	21.77%	21.77%
2002	0	80	80	14	25	1,153	1,153	0.00%	0.00%
2001	0	80	80	14	25	1,153	1,153	49.93%	49.93%
2000	0	50	50	12	25	769	769	3.92%	3.92%
1999	0	50	50	10	20	740	740		

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

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

	(amounts expressed in thousands)				Direct Rate		
Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2008-09	19,544,899	1,696,049	17,848,850	91.32%	0.190600 $	0.051200 $	0.241800
2007-08	18,358,577	1,381,489	16,977,088	92.47%	0.187100	0.055000	0.242100
2006-07	15,870,047	1,771,553	14,098,494	88.84%	0.190000	0.060000	0.250000
2005-06	14,759,217	1,893,684	12,865,533	87.17%	0.190000	0.040000	0.230000
2004-05	13,165,297	1,204,073	11,961,224	90.85%	0.190000	0.040000	0.230000
2003-04	12,396,576	1,133,234	11,263,342	90.86%	0.190000	0.040000	0.230000
2002-03	11,959,427	1,383,498	10,575,929	88.43%	0.201860	0.018010	0.219870
2001-02	11,460,790	1,301,413	10,159,377	88.64%	0.201160	0.018710	0.219870
2000-01	10,923,848	1,232,624	9,691,224	88.72%	0.200640	0.019830	0.220470
1999-00	10,714,989	1,178,934	9,536,055	89.00%	0.199850	0.020620	0.220470

Source: Local Appraisal District
Notes: Property is assessed at full market value.
(a) per $100 Taxable Assessed Valuation

Del Mar College
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(unaudited)
(amounts expressed in thousands)

		Appropriation per FTSE		Appropriation per Contact Hour			
Fiscal Year	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2008-09	$ 25,145	7,804	$ 3,222	3,137	1,842	4,979	$ 5.05
2007-08	25,069	7,629	3,286	3,083	1,671	4,754	5.27
2006-07	24,716	7,861	3,144	4,906	473	5,379	4.59
2005-06	24,564	8,390	2,928	5,085	427	5,512	4.46
2004-05	24,238	8,104	2,991	5,188	513	5,701	4.25
2003-04	25,785	8,124	3,174	5,110	551	5,661	4.55
2002-03	24,178	8,068	2,997	5,082	715	5,797	4.17
2001-02	24,986	7,418	3,368	4,818	594	5,412	4.62
2000-01	23,547	7,010	3,359	4,489	543	5,032	4.68
1999-00	22,494	7,166	3,139	4,476	598	5,074	4.43

Notes:

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

(a) Source CBM001
(b) Source CBM00A

Del Mar College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year ($000 omitted) 2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Flint Hills Resources LP	Petrochemical	$ 859,954	$ 847,381	$ 752,296	$ 745,378	$ 675,463	$ 667,475	$ 642,727	$ -	$ -	$ -
Valero Refining Texas LP	Petrochemical	854,928	846,719	532,007	296,757	285,339	273,441	197,345	206,780	180,278	176,101
Citgo Refining/Chemical Co LP	Petrochemical	496,997	524,746	468,846	302,684	308,235	306,505	295,856	293,115	292,817	290,092
Equistar Chemicals LP	Petrochemical	208,942	341,781	348,379	305,236	280,079	273,974	271,180	303,918	303,255	285,058
AEP Texas Central Company	Utility	143,160	138,095	137,460	198,957	210,153	212,173	-	-	-	-
Corpus Christi Retail Venture LP	Retail	82,864	-	-	-	-	-	-	-	-	-
Corpus Christi Cogeneration LP	Utility	78,881	78,881	88,296	130,018	107,502	147,581	135,483	-	-	-
Markwest Energy Parners, LP	Utility	71,013	70,753	71,164	-	-	-	-	-	-	-
HE Butt Grocery Company	Grocery	70,958	58,878	72,942	-	65,291	65,056	65,827	67,127	67,847	66,138
Southwestern Bell Telephone	Utility	51,668	64,972	63,699	65,514	67,568	76,791	82,492	84,542	83,599	86,304
Sabco Operating Company	Petrochemical	-	63,725	-	39,045	47,725	-	-	-	-	-
Pioneer Drilling Co. Ltd.	Petrochemical	-	-	85,355	-	-	-	-	-	-	-
La Palmera Mall	Retail	-	-	-	63,438	55,415	-	-	-	-	-
El Paso Javelina Company	Petrochemical	-	-	-	42,883	-	45,673	47,825	-	-	-
Columbia Bay Area Realty LTD	Real Estate	-	-	-	-	-	46,253	49,838	49,838	51,830	57,094
Central Power & Light	Utility	-	-	-	-	-	-	219,700	211,267	213,411	226,273
El Paso Merchant Energy	Utility	-	-	-	-	-	-	74,689	-	-	-
Koch Refining Company	Petrochemical	-	-	-	-	-	-	-	628,722	613,605	642,043
Coastal Javelina Company	Petrochemical	-	-	-	-	-	-	-	136,261	128,770	-
Elementis Chromium	Manufacturing	-	-	-	-	-	-	-	55,103	43,501	-
Qualitech Steel Corporation	Manufacturing	-	-	-	-	-	-	-	-	-	60,000
Oxy Petrochmicals Inc.	Petrochemical	-	-	-	-	-	-	-	-	-	-
Coastal Refining & Marketing Inc	Petrochemical	-	-	-	-	-	-	-	-	-	125,788
Hoechst Cel-Chemical Group	Chemical	-	-	-	-	-	-	-	-	-	-
	Totals	$ 2,919,365	$ 3,035,931	$ 2,620,444	$ 2,189,910	$ 2,102,770	$ 2,114,922	$ 2,082,962	$ 2,036,673	$ 1,978,913	$ 2,014,891
	Total Taxable Assessed Value	$ 16,977,088	$ 14,098,514	$ 12,865,533	$ 11,961,224	$ 11,263,342	$ 10,575,929	$ 10,159,377	$ 9,691,224	$ 9,536,055	$ 9,304,865

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year 2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Flint Hills Resources LP	Petrochemical	5.07%	6.01%	5.85%	6.23%	6.00%	6.31%	6.33%	0.00%	0.00%	0.00%
Valero Refining Texas LP	Petrochemical	5.04%	6.01%	4.14%	2.48%	2.53%	2.59%	1.94%	2.13%	1.89%	1.89%
Citgo Refining/Chemical Co LP	Petrochemical	2.93%	3.72%	3.64%	2.53%	2.74%	2.90%	2.91%	3.02%	3.07%	3.12%
Equistar Chemicals LP	Petrochemical	1.23%	2.42%	2.71%	2.55%	2.49%	2.59%	2.67%	3.14%	3.18%	3.06%
AEP Texas Central Company	Utility	0.84%	0.98%	1.07%	1.66%	1.87%	2.01%	0.00%	0.00%	0.00%	0.00%
Corpus Christi Retail Venture LP	Retail	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corpus Christi Cogeneration LP	Utility	0.46%	0.56%	0.69%	1.09%	0.95%	1.40%	1.33%	0.00%	0.00%	0.00%
Markwest Energy Parners, LP	Utility	0.42%	0.50%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HE Butt Grocery Company	Grocery	0.42%	0.42%	0.57%	0.00%	0.58%	0.62%	0.65%	0.69%	0.71%	0.71%
Southwestern Bell Telephone	Utility	0.30%	0.46%	0.50%	0.55%	0.60%	0.73%	0.81%	0.87%	0.88%	0.93%
Sabco Operating Company	Petrochemical	0.00%	0.45%	0.00%	0.33%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%
Pioneer Drilling Co. Ltd.	Petrochemical	0.00%	0.00%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Padre Staples Mall LP	Retail	0.00%	0.00%	0.00%	0.53%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%
El Paso Javelina Company	Petrochemical	0.00%	0.00%	0.00%	0.36%	0.00%	0.43%	0.47%	0.00%	0.00%	0.00%
Columbia Bay Area Realty LTD	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.49%	0.51%	0.54%	0.61%
Central Power & Light	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.16%	2.18%	2.24%	2.43%
El Paso Merchant Energy	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.74%	0.00%	0.00%	0.00%
Koch Refining Company	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.49%	6.43%	6.90%
Coastal Javelina Company	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.41%	1.35%	0.00%
Elementis Chromium	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%	0.46%	0.00%
Qualitech Steel Corporation	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.64%
Oxy Petrochmicals Inc.	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coastal Refining & Marketing Inc	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.35%
Hoechst Cel-Chemical Group	Chemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Totals	17.20%	21.53%	20.37%	18.31%	18.67%	20.00%	20.50%	21.02%	20.75%	21.65%

Source: Local County Appraisal District

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

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
2009	$ 41,484	$ (261)	$ 41,223	$ 30,790	74.69%		$ 1,363	32,153	78.00%
2008	38,286	(264)	38,022	28,387	74.66%		679	29,066	76.45%
2007	35,535	(44)	35,491	25,530	71.93%		718	26,248	73.96%
2006	29,223	(32)	29,191	23,558	80.70%		667	24,225	82.99%
2005	28,028	(153)	27,875	22,245	79.80%		736	22,981	82.44%
2004	26,543	70	26,613	21,042	79.07%		646	21,688	81.49%
2003	23,254	175	23,429	20,839	88.95%		620	21,459	91.59%
2002	22,365	(71)	22,294	19,746	88.57%		599	20,345	91.26%
2001	21,366	(64)	21,302	18,680	87.69%		330	19,010	89.24%
2000	21,024	(149)	20,875	20,755	99.43%		361	21,116	101.15%
1999	19,337	(25)	19,312	18,695	96.81%		490	19,185	99.34%

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

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

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Bonded Debt										
General obligation bonds	$ 95,270	$ 99,440	$ 103,305	$ 105,360	$ 56,160	$ 58,235	$ 60,025	$ 9,015	$ 11,115	$ 12,937
Notes				-	-	-	-	-	-	-
Less: Funds restricted for debt service	3,310	4,499	4,906	2,698	1,998	3,216	1,664	2,013	2,566	4,209
Net general bonded debt	$ 98,580	$ 103,939	$ 108,211	$ 108,058	$ 58,158	$ 61,451	$ 61,689	$ 11,028	$ 13,681	$ 17,146
Other Debt										
Revenue bonds	$ 32,120	$ 33,150	$ 8,355	$ 9,015	$ 9,650	$ 9,825	$ 10,345	$ 10,835	$ 11,295	$ 11,730
Notes	-	-	155	482	795	1,098	1,289	187	1,641	2,120
Capital lease obligations	-	-	-	-	29	62	169	-	-	-
Total Outstanding Debt	$ 130,700	$ 137,089	$ 116,721	$ 117,555	$ 68,632	$ 72,436	$ 73,492	$ 22,050	$ 26,617	$ 30,996
General Bonded Debt Ratios										
Per Capita	$ 328.60	$ 346.46	$ 360.70	$ 360.19	$ 193.86	$ 204.84	$ 205.63	$ 36.76	$ 45.60	$ 58.12
Per **FTSE**	12,632	13,624	13,766	12,879	7,176	7,564	7,646	1,487	1,952	2,393
As a percentage of Taxable Assessed Value	0.55%	0.61%	0.77%	0.84%	0.49%	0.55%	0.58%	0.11%	0.14%	0.18%
Total Outstanding Debt Ratios										
Per Capita	$ 435.67	$ 456.96	$ 389.07	$ 391.85	$ 228.77	$ 241.45	$ 244.97	$ 73.50	$ 88.72	$ 105.07
Per **FTSE**	16,748	17,969	14,848	14,011	8,469	8,916	9,109	2,972	3,797	4,325
As a percentage of Taxable Assessed Value	0.73%	0.81%	0.83%	0.91%	0.57%	0.64%	0.69%	0.22%	0.27%	0.33%

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

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

	For the Year Ended August 31 (amount expressed in thousands)									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Taxable Assessed Value	$ 17,848,850	$ 16,977,088	$ 14,098,494	$ 12,865,533	$ 11,961,224	$ 11,263,342	$ 10,575,929	$ 10,159,377	$ 9,691,224	$ 9,536,055
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	89,244	84,885	70,492	64,328	59,806	56,317	52,880	50,797	48,456	47,680
Less: Funds Restricted for Repayment of General Obligation Bond	3,310	4,499	4,906	2,698	1,998	3,216	1,664	2,013	2,566	4,209
Total Net General Obligation Debt	92,554	89,384	75,398	67,026	61,804	59,533	54,544	52,810	51,022	51,889
Current Year Debt Service Requirements	8,899	8,763	8,512	4,528	4,815	6,333	3,545	3,586	3,566	3,938
Excess of Statutory Limit for Debt Service over Current Requireme	$ 83,655	$ 80,621	$ 66,886	$ 62,498	$ 56,989	$ 53,200	$ 50,999	$ 49,224	$ 47,456	$ 47,951
Net Current Requirements as a % of Statutory Limit	13.68%	15.62%	19.03%	11.23%	11.39%	16.96%	9.85%	11.02%	12.65%	17.09%

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

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

Revenue Bonds

	Pledged Revenues ($000 omitted)					Debt Service Requirements ($000 omitted)			
Fiscal Year Ended August 31	Tuition Fee	Building Use Fee	Matriculation Fee	Income Revenues	Total	Principal	Interest	Total	Coverage Ratio
2009	$ 2,376	$ 2,209	$ 2,209	$ 320	$ 7,114	$1,030	$ 1,398	2,428	2.93
2008	2,329	1,722	1,722	928	6,701	695	319	1,014	6.61
2007	2,317	1,768	1,768	1,677	7,530	660	350	1,010	7.46
2006	2,256	1,762	1,762	1,086	6,866	635	379	1,014	6.77
2005	2,086	1,639	1,639	503	5,867	555	493	1,048	5.60
2004	2,024	1,643	1,643	201	5,511	520	528	1,048	5.26
2003	1,499	1,633	1,735	234	5,101	490	561	1,051	4.85
2002	361	1,635	1,635	591	4,222	460	592	1,052	4.01
2001	346	1,233	1,233	1,014	3,826	435	622	1,057	3.62
2000	346	1,156	1,154	1,067	3,723	410	649	1,059	3.52

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2008	322,077	a	a	4.9%
2007	321,135	10,874,617	33,863	4.3%
2006	321,457	10,347,486	32,189	4.9%
2005	319,704	9,427,932	29,490	5.3%
2004	317,317	8,952,182	28,212	6.0%
2003	314,749	8,515,535	27,055	6.7%
2002	313,961	8,025,024	25,561	6.4%
2001	312,463	7,790,699	24,933	5.0%
2000	313,427	7,498,875	23,925	4.4%
1999	314,553	7,131,056	22,670	4.7%

Sources:
Population from U.S. Bureau of the Census.
Personal income from U.S. bureau of Economic Analysis.
Unemployment rate from U.S. Department of Labor

Notes:
a. Not yet available.

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

Employer	Number of Employees	Percentage of Total Employment (2)
Christus Spohn Health System	5,400	2.73%
Corpus Christi ISD	5,178	2.62%
H.E.B.	5,000	2.53%
Corpus Christi Army Depot	4,876	2.47%
City of Corpus Christi	3,171	1.60%
Bay, Ltd.	2,100	1.06%
Naval Air Station Corpus Christi	1,630	0.82%
Del Mar College	1,542	0.78%
Driscoll Children's Hospital	1,500	0.76%
Corpus Christi Medical Center	1,300	0.66%
Total	11,243	5.68%

Source:
Corpus Christi Regional Economic Development Corporation

Note:
This institution previously did not present this schedule and chose to implement prospectively.
Percentage of Total Employment (2007 Corpus Christi Total Employment = 197,798)

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

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Faculty										
Full-Time	287	297	285	293	294	291	299	292	275	276
Part-Time	293	234	296	342	344	333	382	330	324	305
Total	580	531	581	635	638	624	681	622	599	581
Percent										
Full-Time	49.5%	55.9%	49.1%	46.1%	46.1%	46.6%	43.9%	46.9%	45.9%	47.5%
Part-Time	50.5%	44.1%	50.9%	53.9%	53.9%	53.4%	56.1%	53.1%	54.1%	52.5%
Staff and Administrators										
Full-Time	359	359	381	415	412	423	424	363	360	362
Part-Time	176	176	156	151	136	124	130	129	0	75
Total	535	535	537	566	548	547	554	492	360	437
Percent										
Full-Time	67.1%	67.1%	70.9%	73.3%	75.2%	77.3%	76.5%	73.8%	100.0%	82.8%
Part-Time	32.9%	32.9%	29.1%	26.7%	24.8%	22.7%	23.5%	26.2%	0.0%	17.2%
FTSE per Full-time Faculty	17.30	19.70	18.80	19.24	18.28	18.97	17.83	17.29	17.60	18.34
FTSE per Full-Time Staff Member	22.56	21.25	20.60	20.22	19.67	19.21	19.03	20.44	19.47	19.79
Average Annual Faculty Salary	$56,529	$56,394	$55,773	$58,863	$50,825	$48,847	$48,262	$47,437	$45,497	$44,286

Notes:

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

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
Student Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	6,893	60.95%	6,586	58.98%	6,884	60.64%	7,420	61.80%	7,280	64.17%
31-60 hours	3,766	33.30%	3,945	35.33%	3,786	33.35%	4,273	35.59%	4,060	35.79%
> 60 hours	651	5.76%	636	5.70%	682	6.01%	313	2.61%	5	0.04%
Total	11,310	100.00%	11,167	100.00%	11,352	100.00%	12,006	100.00%	11,345	100.00%

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2003	
Semester Hour Load	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1-3 semester hours	1,806	15.97%	1,887	16.90%	1,841	16.22%	1,955	16.28%	1,781	15.70%
4-6 semester hours	2,642	23.36%	2,569	23.01%	2,691	23.71%	2,698	22.47%	2,405	21.20%
7-9 Semester hours	2,584	22.85%	2,527	22.63%	2,415	21.27%	2,614	21.77%	2,496	22.00%
10-12 semester hours	2,683	23.72%	2,678	23.98%	2,799	24.66%	2,971	24.75%	2,825	24.90%
13-15 semester hours	1,397	12.35%	1,337	11.97%	1,402	12.35%	1,487	12.39%	1,554	13.70%
16 & over	198	1.75%	169	1.51%	204	1.80%	281	2.34%	284	2.50%
Total	11,310	100.00%	11,167	100.00%	11,352	100.00%	12,006	100.00%	11,345	100.00%
Average course load	8.3		8.2		8.3		8.4		8.6	

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
Tuition Status	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	9,822	86.84%	9,851	88.22%	9,974	87.86%	10,044	83.66%	9,300	81.97%
Texas Resident (out-of-District)	1,333	11.79%	1,175	10.52%	1,227	10.81%	1,746	14.54%	1,848	16.29%
Non-Resident Tuition	155	1.37%	141	1.26%	151	1.33%	216	1.80%	197	1.74%
Total	11,310	100.00%	11,167	100.00%	11,352	100.00%	12,006	100.00%	11,345	100.00%

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

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	6,702	59.26%	6,707	60.06%	6,962	61.33%	7,287	60.69%	6,859	60.46%
Male	4,608	40.74%	4,460	39.94%	4,390	38.67%	4,719	39.31%	4,486	39.54%
Total	11,310	100.00%	11,167	100.00%	11,352	100.00%	12,006	100.00%	11,345	100.00%

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Hispanic	6,534	57.77%	6,335	56.73%	6,416	56.52%	6,721	55.98%	6,411	56.51%
White, non-Hispanic	3,634	32.13%	3,808	34.10%	3,985	35.10%	4,263	35.51%	4,164	36.70%
Black, non-Hispanic	342	3.02%	307	2.75%	292	2.57%	322	2.68%	323	2.85%
Asian/Pacific Islander	219	1.94%	191	1.71%	188	1.66%	194	1.62%	169	1.49%
Indian/Alaskan Native	24	0.21%	25	0.22%	19	0.17%	17	0.14%	18	0.16%
Unknown	557	4.92%	501	4.49%	452	3.98%	489	4.07%	260	2.29%
Total	11,310	100.00%	11,167	100.00%	11,352	100.00%	12,006	100.00%	11,345	100.00%

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 20	3,233	28.59%	2,979	26.68%	2,992	26.36%	2,932	24.42%	2,587	22.80%
20 -24	3,818	33.76%	3,922	35.12%	3,855	33.96%	4,173	34.76%	4,139	36.48%
25 - 29	1,723	15.23%	1,702	15.24%	1,790	15.77%	1,875	15.62%	1,753	15.45%
30 - 34	931	8.23%	944	8.45%	937	8.25%	1,127	9.39%	1,028	9.06%
35 - 39	615	5.44%	588	5.27%	672	5.92%	650	5.41%	619	5.46%
40 - 44	392	3.47%	445	3.98%	424	3.74%	505	4.21%	546	4.81%
45 - 49	288	2.55%	283	2.53%	336	2.96%	379	3.16%	316	2.79%
50 & over	310	2.74%	304	2.72%	346	3.05%	365	3.04%	357	3.15%
Total	11,310	100.00%	11,167	100.00%	11,352	100.00%	12,006	100.00%	11,345	100.00%
Average Age	25		26		26		26		26	

Del Mar College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2007-08 Students as of Fall 2008
(Includes only public senior colleges in Texas)

		Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1	Texas A&M University - Corpus Christi	693	53	67	813	47.80%
2	Texas A&M University - Kingsville	192	18	12	222	13.05%
3	Texas A&M University	158	8	3	169	9.94%
4	University of Texas - Austin	120	5	5	130	7.64%
5	University of Texas - San Antonio	90	8	2	100	5.88%
6	Texas State University	76	7	2	85	5.00%
7	Texas Tech University	32		2	34	2.00%
8	University of North Texas	20			20	1.18%
9	Sam Houston State University	16	1		17	1.00%
10	University of Houston	15	2		17	1.00%
11	University of Texas - Pan American	12	2		14	0.82%
12	Stephen F. Austin State University	8	2	2	12	0.71%
13	University of Texas - Arlington	9	1		10	0.59%
14	Angelo State University	6	1		7	0.41%
15	Lamar University Institute of Technology	2		3	5	0.29%
16	Prairie View A&M University	5			5	0.29%
17	Texas Women's University	5			5	0.29%
18	University of Texas - Dallas	3	2		5	0.29%
19	University of Texas - Permian Basin	3	1	1	5	0.29%
20	Texas A&M University - Galveston	4			4	0.24%
21	Midwestern State University	2		1	3	0.18%
22	Sul Ross State University	2	1		3	0.18%
23	University of Houston - Downton	3			3	0.18%
24	University of Houston - Victoria	3			3	0.18%
25	Tarleton State University	2			2	0.12%
26	Texas A&M International University	2			2	0.12%
27	Sul Ross State University - Rio Grande College	1			1	0.06%
28	Texas A&M University - Commerce	1			1	0.06%
29	Texas Southern University	1			1	0.06%
30	University of Houston - Clear Lake		1		1	0.06%
31	University of Texas at Tyler	1			1	0.06%
32	West Texas A&M University	1			1	0.06%
	Totals	**1,488**	**113**	**100**	**1,701**	**100.00%**

Del Mar College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2002 to 2009

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Academic buildings	37	37	37	28	33	33	33	33
Square footage (in thousands)	831	831	818	541	535	535	535	535
Libraries	2	2	2	2	2	2	2	1
Square footage (in thousands)	114	114	114	114	114	114	114	114
Number of Volumes (in thousands)	187	187	187	185	186	184	181	180
Administrative and support buildings	7	7	7	7	7	7	7	7
Square footage (in thousands)	169	169	169	162	162	162	162	162
Athletic Facilities	3	3	3	3	3	3	3	3
Square footage (in thousands)	44	44	44	44	44	44	44	44
Aquatic Center	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1
Plant facilities	10	10	10	7	7	7	7	7
Square footage (in thousands)	33	33	33	30	30	30	30	30
Transportation								
Cars	7	7	7	7	8	6	a	a
Light Trucks/Vans	47	47	45	62	64	52	a	a
Buses	4	4	4	4	4	4	a	a

Notes:
a. Not available