

# Del Mar College



## Comprehensive Annual Financial Report Fiscal Year Ended August 31, 2013



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# Comprehensive Annual Financial Report

## Fiscal Year Ended August 31, 2013

Prepared by

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*Front cover photo:* The newly-expanded Fine Arts Center, including the new Sue Sellors Finley Theatre.  
*Back cover photo:* A panoramic photo of the lobby of the Sue Sellors Finley Theatre.

**Del Mar College**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED AUGUST 31, 2013**

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## Transmittal Letter

December 10, 2013

To: President Mark Escamilla, PhD.  
Members of the Board of Regents and  
Citizens of the Del Mar College District

The Comprehensive Annual Financial Report (CAFR) of Del Mar College, Counties of Nueces, San Patricio, Aransas, Kleberg and Kenedy, State of Texas, for the years ended August 31, 2013 and 2012, is hereby submitted. Responsibility for both the accuracy of the data, fairness and the completeness the presentation, including all disclosures, rests with the management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities, in relation to its mission, have been included.

Management of the College is responsible for establishing and maintaining an internal control structure designed to protect the assets of the College, prevent loss from theft or misuse and provide adequate accounting data to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

This letter of transmittal complements and should be read in conjunction with Management's Discussion and Analysis which immediately follows the independent auditor's report and which provides a narrative introduction, overview and analysis of the basic financial statements.

### Comprehensive Annual Financial Report

The Del Mar College District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2013 was prepared by the Comptroller and the CFO/Vice President of Operations.

The College's Financial Statements are in compliance with GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for the State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required

by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows and replaces the fund-group perspective previously required.

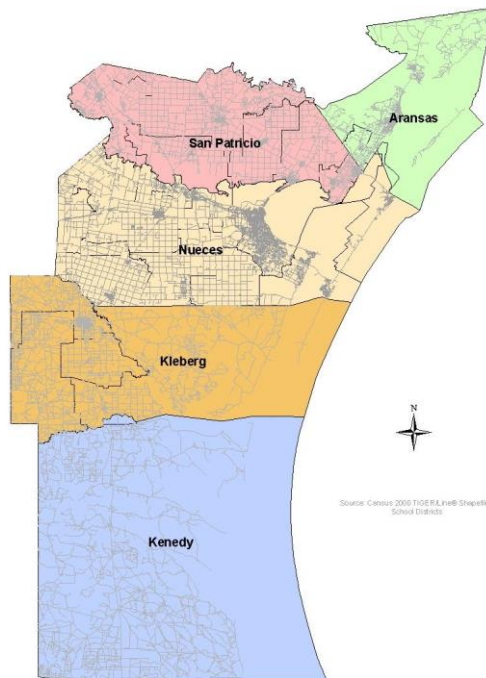
The College maintains its accounts and prepares its financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB), National Association of College and University Business Officers (NACUBO) and the Texas Higher Education Coordinating Board (THECB). The financial records of the College are maintained on the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when incurred.

The College's financial statements are prepared using the economic resources measurement focus. The notes to the financial statements expand on and explain the financial statements and the accounting principles applied.

### **Profile of the College**

Del Mar College District is a political subdivision of the State of Texas located in Nueces County. The College was founded in 1935, under the control of the Board of the Trustees of Corpus Christi Independent School District and started in borrowed classrooms with 154 students in the first class. In 1951, the College became an independent political sub-division, legally Corpus Christi Junior College District. In 1999, the Board of Regents adopted Del Mar College District as the official name of the institution. The Del Mar College service area is comprised of Nueces, Aransas, San Patricio Counties and parts of Kleberg and Kenedy Counties.

**Del Mar College Service Area Independent Public School Districts  
Nueces, San Patricio, Aransas, Kleberg and Kenedy Counties**



Today the College serves over 19,219 students each year in academic, career and technical and continuing education courses with over 553 full-time faculty and staff. The College now offers courses on two campuses and two additional locations. The Del Mar College Center for Economic Development and the Northwest Center expand the reach of the College in meeting the needs of the broader community. The College opened an additional Center at the Corpus Christi International Airport to address the growing demand for skilled aviation technicians. This facility provides classrooms and a large hangar to compliment the on-campus facility, enabling the program to offer more classes. In all, the College has combined assets of over \$231.9 million, providing a solid basis to serve the students and community.

The College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) to award Associate degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions regarding the accreditation of Del Mar College. The accreditation process cycles over a ten year period. The College began preparing for the most recent re-affirmation in 2007 and the site visit occurred October, 2010. The successful completion of this process and confirmation of the College's reaffirmation of accreditation occurred in June, 2011, when the Commission re-affirmed the College's accreditation status with no recommendations or follow-up actions. The College's programs and courses are approved by the Texas Higher Education Coordinating Board and Texas Education Agency.

The Board of Regents, the governing body for the College, is elected by the citizens of the Del Mar College District. Three positions are filled every two years, with board members serving staggered six-year terms. In 1989, the Board adopted a modified single-member district plan with five Regents elected to represent single-member districts and four members elected at large. Vacancies on the Board are filled for an unexpired term according to Board bylaws. The Board has engaged the services of Bickerstaff Heath Delgado Acosta, LLP for redistricting services based on the 2010 Census. The redistricting plan was completed and approved by the Department of Justice on April 5, 2012, providing the electorate with sufficient time to understand the new single member districts prior to the November 2012 election.

**Vision Statement:** Del Mar College empowers student learners in our communities through comprehensive, accessible, quality education.

**Mission:** Del Mar College provides access to quality education, workforce preparation, and lifelong learning for student and community success.

**Core Values:**

- Learning: meeting individual needs
- Student Success: achieving full potential
- Excellence: high-quality instruction
- Integrity: honesty and transparency
- Access: open to all
- Accountability: responsibility to stakeholders
- Innovation: progressive programs and services
- Diversity: valuing differences

## **Guiding Principles:**

- **Quality Education:** Challenge students to engage in academic and occupational programs through high-quality teaching and learning.
- **Academic Excellence:** Promote the full range of intellectual achievement from basic literacy to successful academic transfer.
- **Academic Freedom and Responsibility:** Provide the foundation for a learning environment that promotes academic excellence, independent and creative thinking, and respect for the individual.
- **Workforce Preparation:** Collaborate with business and industry partners to equip students to compete in the marketplace and to augment economic development.
- **Student Success:** Empower students inside and outside of the classroom to achieve their greatest potential.
- **Educational Access:** Provide affordable educational opportunities for all, developing responsible citizens who enhance their communities.
- **Personal Enrichment:** Foster lifelong learning, citizenship, and health and wellness through educational, cultural, and recreational pursuits.

Adopted by the Del Mar College Board of Regents, August 9, 2011.

## **Strategic Planning**

In 2009, the College undertook the development of a new Strategic Plan that resulted in over 50 meetings with the faculty, staff, students and community leaders. The comprehensive Strategic Plan, *Access to Excellence, Del Mar College's Strategic Plan for 2009-2014*, includes 6 broad goals and 41 objectives. The execution of the plan is supported by the office of Strategic Planning and Institutional Research, the President and Executive Planning Team, the Strategic Planning Advisory Committee and the Budget Committee.

During the spring semester of 2013, the Strategic Planning Advisory Committee and the Executive Team under the leadership of the President, reviewed the goals and objectives for the 2013-2014 academic year. This process included discussions and analysis of trends that affect funding, the economy and enrollment. The comprehensive review resulted in revised objectives, outcomes and strategies to support the College-wide goals.

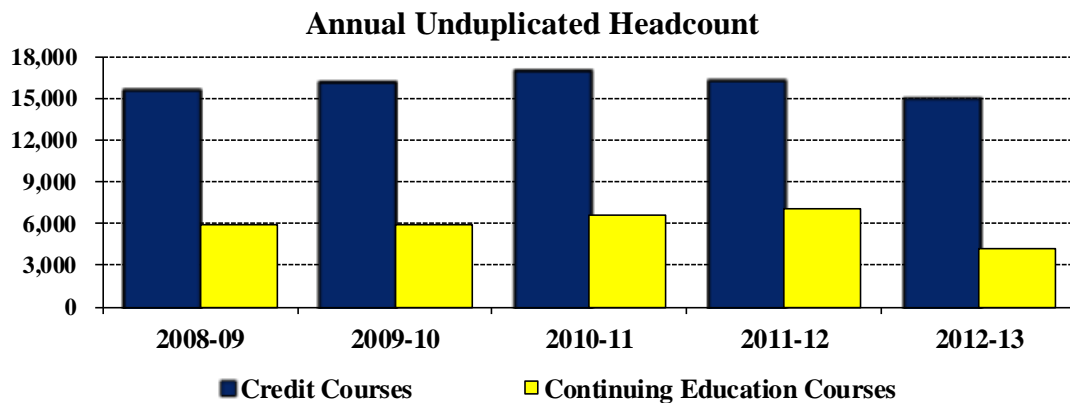
The six over-riding goals are:

- **Goal 1 – Student Success –** Assure access and educational excellence for all students.
- **Goal 2 – Operational Resources –** Enhance infrastructure, funding and financial capabilities.
- **Goal 3 – Professional Capabilities and Procedural Improvements –** Expand knowledge, skills and abilities of personnel.
- **Goal 4 – External Partnerships –** Strengthen alliances.
- **Goal 5 – Positioning –** Strengthen the overall positive image of the College.
- **Goal 6 – Governance –** Cultivate relationships among all constituencies.

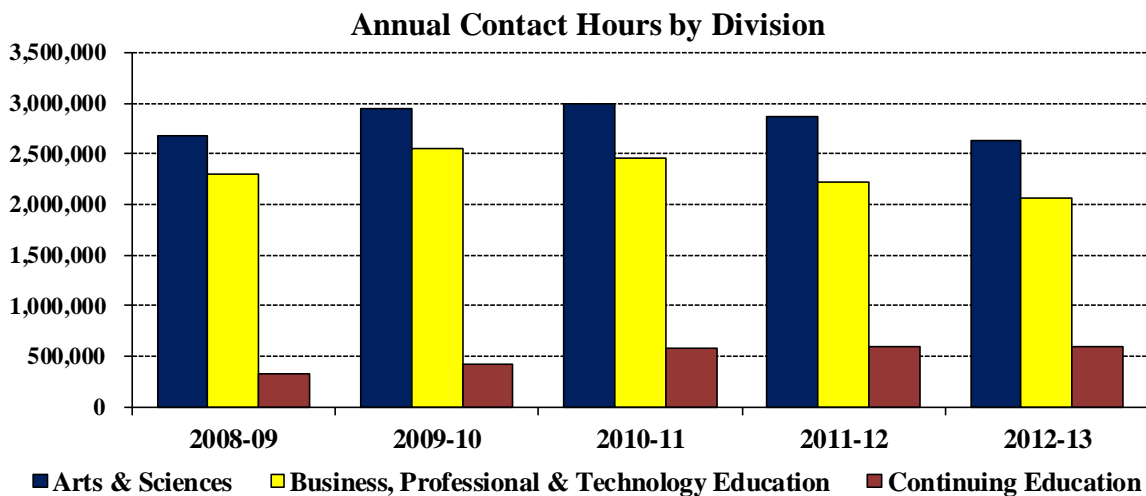
## Enrollment

The following tables and graphs illustrate the College's enrollment data over the last five years.

<b>Annual Unduplicated Headcount</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Credit Courses	15,544	16,182	16,923	16,231	15,049
Continuing Education Courses	5,957	5,882	6,568	7,060	4,170
<b>Grand Total</b>	<b>21,501</b>	<b>22,064</b>	<b>23,491</b>	<b>23,291</b>	<b>19,219</b>



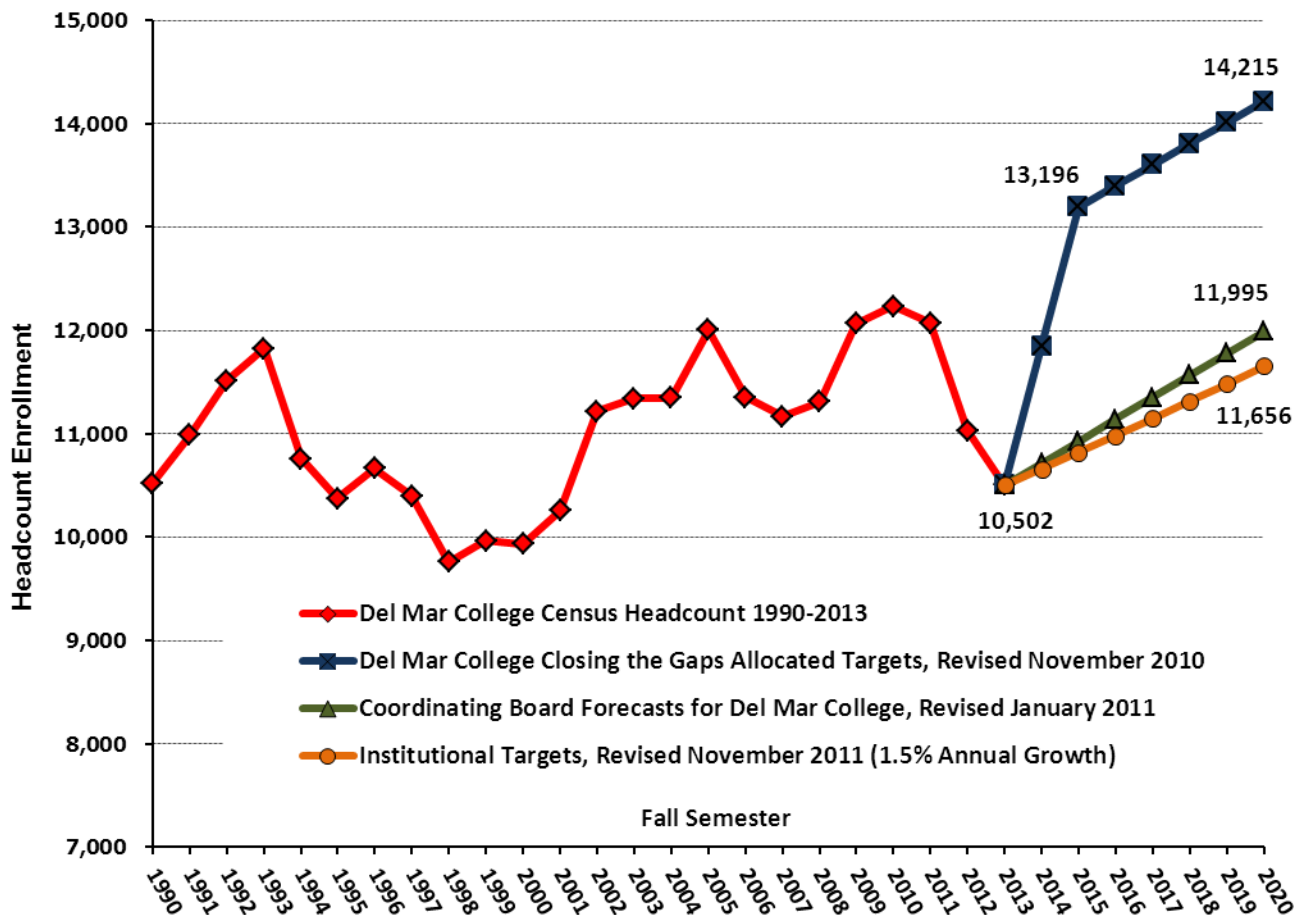
<b>Annual Contact Hour Totals</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>Credit Courses</b>					
Arts & Sciences	2,674,880	2,954,800	2,995,584	2,873,328	2,634,304
Business, Professional & Technology Education	2,304,648	2,552,120	2,456,349	2,215,168	2,055,512
<b>Total Credit Hours</b>	<b>4,979,528</b>	<b>5,506,920</b>	<b>5,451,933</b>	<b>5,088,496</b>	<b>4,689,816</b>
<b>Continuing Education Courses</b>					
State-Reimbursable	169,525	175,467	303,028	317,194	335,215
TEA-Reimbursable	108,157	211,453	221,352	269,304	220,316
Non-Reimbursable	46,929	38,489	60,265	12,647	38,287
<b>Total Continuing Education Hours</b>	<b>324,611</b>	<b>425,409</b>	<b>584,645</b>	<b>599,145</b>	<b>593,818</b>
<b>Grand Total</b>	<b>5,304,139</b>	<b>5,932,329</b>	<b>6,036,578</b>	<b>5,687,641</b>	<b>5,283,634</b>



Del Mar College has experienced growth in the past academic years and awarded 1,655 degrees and certificates, and an additional 884 awards during 2012-2013. Between 1985 and 1993, the fall headcount in credit courses at Del Mar College rose by more than one-third (36%) from 8,665 to 11,825. In 1994 and 1995, enrollment began declining, due in part to the introduction of lower-division courses at Texas A & M University-Corpus Christi in 1994. The fall headcount enrollment fluctuated significantly over the next few years, rising to an all-time high of 12,236 in fall 2010. Fall 2013 headcount is 10,502 (pending final certification by THECB).

The following model merges the most recent 20 years of historical Del Mar College fall-to-fall enrollment data with the Texas Higher Education Coordinating Board's Closing the Gaps enrollment forecasting model to illustrate possible enrollment trend scenarios. In 2000, the Coordinating Board set a statewide goal of enrolling a net additional 500,000 students to all Texas public colleges and universities by fall 2015. The Coordinating Board figures are updated annually, and the latest statewide goal is to add 630,000 students by 2015. The chart below, based on the latest Coordinating Board estimates and Del Mar College's current Closing the Gaps targets, shows what fall-to-fall headcount enrollments might be through 2020, based on various trend calculations.

**Texas Higher Education Coordinating Board  
Allocated Enrollment Projections for *Closing the Gaps*  
Del Mar College Historical and Projected**





## Local Economy

The Corpus Christi Regional Economic Development Corporation reports in the **2013 Executive Briefing**, *Corpus Christi is strategically located on the Gulf of Mexico and is the eighth largest city in Texas. The city has a population of over 280,000 with a metropolitan population over 410,000. Energized by many positive factors, Corpus Christi's robust economy has gained tremendous momentum in recent years, creating a solid foundation for growth and prosperity in the 21st century. Corpus Christi is a center for petrochemical manufacturing, large-scale fabrication, aviation, marine research, maritime shipping, and tourism. It is also an emerging center for energy technologies and knowledge-based industries.*

*The Corpus Christi region offers many exceptional assets for business development. Corpus Christi is also a major trade gateway for Mexico and Latin America. The Port of Corpus Christi is the sixth largest port in the U.S. in terms of tonnage and soon will grow even more significant with the development of the La Quinta Container Terminal.*

The region is also a gateway to two of the largest oil and gas exploration regions in North America – the Gulf of Mexico and the Eagle Ford Shale. The exploration of the Eagle Ford Shale includes counties in South and West Texas which are adjacent to the College's service area. The Center for Community and Business Research at the University of Texas at San Antonio reported the total economic impact to the entire region for 2012 was expected to surpass \$61 billion in the 20 county study area with over 116,000 jobs supported. San Patricio and Nueces Counties shared an increase of 8,494 full-time jobs in 2012 due to the Eagle Ford Shale activity and \$470 million in added payroll.

During 2013, TPCO America Corporation began construction on a \$2.7 billion seamless steel pipe plant that will generate up to 2,000 jobs during construction and 500 to 600 permanent manufacturing jobs and anticipate production to begin in early 2014. This is the largest direct investment by the Chinese government in a manufacturing facility in the United States. The College provided the first stage of training for the initial new full-time employees. A Texas Skills Development Grant of over \$117,000 to the College will provide continued training of the full-time employees.

Cheniere Energy, Inc. continues in the process of permitting for the construction of an \$11B facility to take advantage of the abundant natural gas coming from the Eagle Ford Shale zone and constructing a 4 train LNG plant to export throughout the world markets. M & G Resins, USA is in the final planning stages for an \$800M PET and PETA manufacturing facility within the Port area. The aviation and public sectors are also experiencing new opportunities with the Corpus Christi Army Depot.

According to the Corpus Christi Regional Economic Development Corporation the Cost of Living Index Comparison of Port Cities the Corpus Christi MSA for the 2<sup>nd</sup> Quarter of 2013 compares at 91.0, to Houston at 97.5, Savannah, Georgia at 91.3, Miami, Florida at 107.2 and Baltimore, Maryland at 115.6. This reflects a lower cost of living for the region in comparison to other port cities across the state and nation.

As of August 2013, the nation experienced an unemployment rate of 7.3%, the state of Texas 6.3%, and Corpus Christi at 5.9%.

Del Mar College participated with the Texas Association of Community Colleges and received *The Economic Impact Study* prepared by Economic Modeling Specialists, Inc. (EMSI) in September 2010. This study reviewed how the College's service area economy and the state of Texas benefit from the presence of Del Mar College. EMSI applied a comprehensive model designed to quantify the economic benefits of the community and technical colleges and translate these into benefit/cost and investment terms. The economic impact model has been field-tested to generate more than 900 studies for community and technical colleges. The report indicates that the benefit/cost ratio for every dollar students invest in Del Mar College education, a cumulative \$7.10 in higher future income is received over the course of their working careers. This report also indicates that the economic impact of the College to the community is a total of \$352 million per year with a spending effect of \$57.9 million and an increased productivity effect of \$294.1 million.

EMSI also determined that the availability of quality education and training in the College's service area attracts new industry to the region, creating new businesses and expanding the availability of public investment funds. The gross regional product or GRP, as determined by EMSI, is approximately \$18.2 billion and is equal to the sum of labor income (\$11.3 billion) and non-labor income (\$6.8 billion).

EMSI further drew a correlation between education and earnings. The following table illustrates the increase in income as education increases. This is derived from EMSI's industry data on average income per worker in the College's service area, broken out by gender, ethnicity, and education level using data supplied by the U. S. Census Bureau.

**Expected income in Del Mar College Service Area  
at midpoint of individual's working career by education level**

<b>Education level</b>	<b>Income</b>	<b>Difference</b>
Less than high school	\$19,700	n/a
High school or equivalent	\$30,600	\$10,900
Associate's degree	\$41,400	\$10,800
Bachelor's degree	\$59,400	\$18,000
Master's degree	\$71,700	\$12,300

Source: Derived from data supplied by EMSI industry data and the U.S. Census Bureau. Figures are adjusted to reflect average earnings per worker in the Del Mar College Service Area.

Additional economic information is provided in the Management's Discussion and Analysis section of the report.

**Long-Term Financial Planning**

The Management's Discussion and Analysis provides an in-depth review of the Capital Asset and Debt administration including a table on all outstanding debts in the form of bonds on pages 39-41.

*Estrada and Hinojosa, Investment Bankers* assisted the College with a \$6 million capital lease program and continues to support the college with its disclosure and debt modeling activities. They also provided expertise in analysis of bond management and transactions totaling over \$233.75M in par value on the following:

- \$25,490,000 Combined Fee Revenue Bonds, Series 2008
- \$51,060,000 Limited Tax Bonds, Series 2006
- \$ 7,830,000 Combined Fee Revenue Refunding Bonds, Series 2005
- \$53,545,000 Limited Tax Bonds, Series 2003
- \$36,330,000 Limited Tax Refunding Bonds, Series 2011
- \$ 9,010,000 Limited Tax Refunding Bonds, Series 2013

In consideration of the existing long-term debt of the College and the General Obligation Outstanding Debt, approximately 69% of principal is amortizing in the next 10 years and holds an underlying rating of AA+/Aa2/AA. The College's bond ratings on the outstanding bonds are rated Aa2 by Moody's Investor Service, AA by Standard and Poor's, and AA+ from Fitch Ratings.

*Estrada and Hinojosa, Investment Bankers* analysis provides recommendations on the current status, future issues, and possible refunding opportunities within the bond market. The Board of Regents authorized the refunding of \$37,045,000 Limited Tax Bonds, Series 2003 in October 2012 and the College realized a \$2,605,485 present value savings or 7.27%. The Board authorized a refunding of \$34,780,000 Limited Tax Bonds in May 2013 but the market conditions changed before the transaction could occur. The Board authorized the refunding of \$9,010,000 Limited Tax Bonds in October 2013 and was successful in achieving a \$1,078,081 net present value savings or 11.965% by refunding through Bank Qualified Bonds. The College may benefit from additional savings through other advanced refunding opportunities as the market conditions and the existing bond debt is closely monitored. These types of debt management will continue to be an integral part of the College's financial planning strategies.

Tax levied rates and tax collections are included in the Notes of Financial Statements on pages 72-73.

### **Relevant Financial Policies**

State statutes require every community college in Texas to submit audited annual financial reports to the Texas Higher Education Coordinating Board by January 1<sup>st</sup> of each year. *Collier, Johnson and Woods, P.C.* performed the audit of the College's financial statements and can be contacted at 555 N. Carancahua, Suite 1000, Corpus Christi, Texas 78401-0839.

The provisions of the Single Audit Act amendments of 1996, U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the State of Texas Single Audit Circular requires the College District to undergo and conform to an annual single audit. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards and Related Notes, and the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, is included in the single audit section of this report.

Each community/junior college in Texas must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The budget must include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by person.

The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Regents and to insure accountability to the public and funding agencies.

The Del Mar College budget is prepared under the direction of the CFO/Vice President of Operations and the Comptroller with the collaboration of the Budget Committee, and the personnel from all areas of the College. The budget process includes solicitation of information from all managers of the various cost centers. The Budget Committee participates in the discussion and recommendation of budgetary issues. The allocation of resources and the budget are tied to the Strategic Plan and supporting the College's mission. Monthly budget reports that include actual revenue and expenses are prepared and provided to management and the Board of Regents to assist in making decisions to monitor compliance, provide feedback and review performance. Quarterly financial reports are also provided to management and the Board, with projections of expenditures/savings by budget cost center and comparisons to prior year budgets.

The College received three distinguished awards for the fiscal year ending August 31, 2010 from the Government Finance Officers Association (GFOA) following a peer review against national financial standards: the Comprehensive Annual Financial Report (CAFR) Certificate of Achievement for Excellence in Financial Reporting; the Popular Annual Financial Report (PAFR) Certificate of Achievement; and the Distinguished Budget Award. The CAFR Certificate of Achievement and the Distinguished Budget Award were also received for fiscal years 2011 and 2012.

The MD&A cites numerous examples of the decisions made by the Board of Regents related to the budget and financial management. Examples include the Board of Regents approval of an increase in student tuition and fees charges for the fiscal year 2011-2012, which resulted in an estimated \$2.25M increase in revenues. In 2011, an early retirement incentive program for eligible employees was approved at a cost of \$2.4 million which was off-set by future salary savings of \$1.8M per year. The total cost of the early retirement program was to be recouped in 2.1 years and the college has been able to support instructional programs with a reduced operational budget. As the College closed out 2012, \$7.6M was added to the Unrestricted Reserve Fund as a result of strong budget management and savings realized through the early retirement program and the College's reorganization efforts.

The College's Investment Policy and Strategy Statement is reviewed and approved annually by the Board of Regents. At August 31, 2013, the College had a total of \$55,819,880 in bank deposits. All of the College's funds were properly collateralized during the fiscal year.

The College continually conducts self-assessment of risk exposure. Insurances include property, general liability, crime, auto, flood, sports activity, errors and omissions, worker's compensation, and tax collectors bond. The College has elected to reimburse the Texas Workforce Commission on a quarterly basis for unemployment benefits instead of paying contributions. An internal staff member is assigned to monitor risk factors and recommend insurance coverage.

### **Major Initiatives and Awards**

The College continued to implement the *2009-2014 Strategic Plan* and the supporting initiatives to accomplish the defined goals. A major accomplishment for the year was celebrated in May with the graduation of 727 students who received certificates and associate degrees of which 68 also earned their high school diplomas and graduated from the Collegiate High School. This further exemplified the positive relationship between the school district and the College. Student success has continued to be *Goal Number One* and is demonstrated through initiatives such as the Cooperative Title V – Year 2 Award of \$775,000 with Coastal Bend College and being designated for the second year as *Military Friendly* by G.I. Jobs Magazine. This is expanded by signing an MOU with the Military Entrance processing station in San Antonio, Texas, to provide equipment for local recruiters to administer the online version of the Armed Services Vocational Battery for all five branches of the Government's prospective recruits.

As a Hispanic Serving Institution (HSI) in the area of Science, Technology, Engineering and Math (STEM), the College received the Year 2 Award of \$862,965 to enhance and build capacity in the STEM fields through computer and mobile access, construction and renovation of learning spaces and upgrading instructional teaching tools. Because of these enhancements, advisors made significant contributions to enhance enrollment, retention, and transfer of students to four year institutions.

Receiving the CAFR and Distinguished Budget annually continues to be a major accomplishment for the College community, the administration and Board of Regents. The opportunity to demonstrate this prestigious level of financial accountability and transparency during challenging economic times proved to be even more significant.

The College worked to enhance partnerships with the local community and region with increased partnerships with business and industry leaders, added focus on the service district, Port of Corpus Christi industries, strengthened alliance with Texas A & M University Corpus Christi through the Engineering and the Coastal Bend Innovation Center, and multiple meetings with the Commissioner on Higher Education, The Texas Higher Education Coordinating Board Chairman, and State Senators.

### **Goal One - Student Success:**

- Annual unduplicated enrollment for credit and continuing education was 19,219.
- Granted 1,655 degrees and certificates during the academic calendar year 2012-2013.
- Renovated the Stone Writing Center to become state-of-art in teaching and learning technology.

- For the second year, students in Regional Fire and Police Academies, and the Nuclear Medicine Technology program received a 100% pass rate on state testing and certifications.
- Enhanced services in the Veterans Center on the East Campus and a support-center on the West Campus. Signed an MOU with College Credit for Heroes Program which is a statewide initiative to assist veterans in being awarded credit for non-traditional credits as recommended by ACE and earned while serving on active duty. Continued to be listed in the top 15% of schools that do the most to embrace the military community and ensure student success on campus. Passed the Veterans Association Compliance review with zero repeat discrepancies.

### **Goal Two - Operational Resources:**

- Reviewed and integrated the Facilities Master Planning process with stakeholder groups to identify a strategic vision for the learning environment and facilities.
- Completed improvements totaling \$1 million to a hanger at the airport to support jobs training in the Aviation Power Plant Technology program and built partnerships with Corpus Christi Army Depot.
- The Del Mar College Foundation successfully completed the Double the Dreams Campaign with cash donations of \$2.65 million throughout the year.
- The Foundation increased overall assets from \$11.4 million to \$14.4 million giving a 26% increase and additional funds for scholarships and special program needs.
- Completed the Fine Arts and Drama project to provide a state of the art theatrical facility totaling over \$12.5 million.
- Will complete a new \$9 million addition to the Music Building by the end of the year to provide state-of-art group performance and sound recording studios for the nationally accredited music program.
- Received a Texas Workforce Skills Development Grant of \$117,200 to train the new employees of TPCO America, Corporation. This company will be manufacturing seamless steel and is the largest direct investment by the Chinese government in manufacturing in the United States.
- Received a \$1.8M FEMA grant through the Texas Department of Public Safety and the City of Corpus Christi to construct 24,000 sq.ft. safe room dome structure on the College's West Campus that will be used by the Public Safety Department as an emergency operations training laboratory.

### **Goal Three - Professional Capabilities and Procedural Improvements:**

- Fully implemented new online and automated employment application process in Human Resources to support the screening processes.
- Implemented added infrastructure to the student online experience through *VikingNet* Wi-Fi across campus.
- Added documentation capacity for secure storage and access through *Viking Cloud* to faculty and staff.
- Revised the online course delivery software to the upgraded and enhanced learning management system of *Canvas*. This provides faculty and students greater flexibility, teaching and learning strategies in the online environment.
- Increased student services and improved efficiencies of staff by implementing an online question and answer system called *Ask the Viking*. This provides students direct access to critical answers to key questions 24 hours a day.
- Implemented a new online faculty evaluation system that provides program specific survey responses by students. This will enhance the feedback to faculty and administration regarding student perceptions and learning.

### **Goal Four - Strengthen Alliances:**

- Continued to partner with the local community in strategic planning through the *Bold Future* initiative to successfully launch over 90% of the 264 actions.
- Participated with the regions' Texas Legislators and Governor to improve communication and support by co-hosting Education, Workforce and Human Trafficking Summits.
- Continued to credential the Workforce Solutions of the Coastal Bend Career Ready graduates while learning application and job skills. This program has drawn the attention of the Texas Workforce Commissioner and the opportunity to create additional coalitions with business for Skills Development grants.
- Became a lead partner in the Eagle Ford Consortium with five other community colleges representing the 20 county region.

### **Goal Five – Positioning:**

- Developed a partnership with the public broadcasting TV station, KEDT, to provide shared programming and resources. The College is designing studios for television and radio broadcasting, staff offices, and special event spaces at the College's Center for Economic Development for KEDT and will begin construction next year.

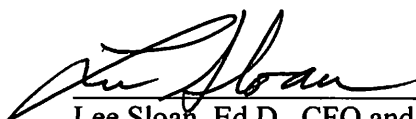
- Continued to support strong relationships through articulation agreements, dual credit programs, Collegiate High School, and transfer processes with area school districts and universities.
- Initiated strategies to increase partners and provide services to the San Patricio County residents, businesses and Independent School Districts. Began offering Dual Credit courses in Portland and surrounding school districts.
- Partnered with the new *Harold T. Branch Academy for Career and Technical Education High School* built by Corpus Christi Independent School District near the College's West Campus to provide an Early College opportunity for students with technical and career goals.
- Expanded the new College-wide brand marketing focus using a revised tag line, renewed College spirit image and creative designs.

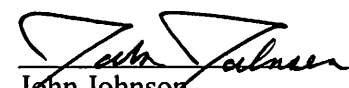
**Goal Six – Governance:**

- Continued the Strategic Planning process with the Board of Regents, the Executive team and the Strategic Planning Advisory Committee which is comprised of stakeholders from all areas of the College. Developed the process to create a new strategic plan for 2014-2019 beginning fall 2013.
- Continued to reinforce the revised College Mission and new Vision, Core Values and Guiding Principles statements.
- Continued to enhance the revised Alumni Association to focus on membership and scholarship development
- Conducted three Board of Regents retreats and Executive Team retreats to develop a focused vision and strategic planning process.

The College community welcomes the opportunity to submit this application for the Comprehensive Annual Financial Report. The support of the President, the College's Board of Regents, faculty and staff contribute to the high standard of financial stewardship and quality throughout the organization. It is with sincere appreciation that we thank all the individuals and departments for their support in this effort.

Respectfully submitted,

  
 Lee Sloan, Ed.D., CFO and  
 Vice President of Operations

  
 John Johnson  
 Comptroller



## Del Mar College Board of Regents

The Board of Regents, the governing body for Del Mar College, is elected by the citizens of the Del Mar College District. Three positions are filled every two years, with board members serving staggered six-year terms. In 1989, the Board adopted a modified single-member district plan with five Regents elected to represent single-member districts and four members elected at large. Vacancies on the Board are filled for an unexpired term according to Board bylaws.

	<b>Term Ending</b>	<b>Position</b>
Trey McCampbell, Chair	2016	At-Large
Elva Estrada, Vice Chair	2018	District 3
Susan Hutchinson, Second Vice Chair	2016	District 2
Nicholas L. Adame, Secretary	2014	At-Large
James B. (Jim) Boggs	2016	District 5
Sandra L. Messbarger	2018	At-Large
Gabriel Rivas III	2018	District 1
Todd M. Walters	2014	District 4
Guy Leland Watts	2014	At-Large

### Administration

President	Dr. Mark S. Escamilla
Provost and Vice President of Instruction and Student Services	Dr. Fernando Figueroa
Chief Financial Officer and Vice President of Operations	Dr. Lee W. Sloan
Chief Information Officer	August Alfonso
Executive Director of Strategic Planning/Assessment and Workforce Initiatives	Lenora Keas
Executive Director of Community and Legislative Relations	Claudia Jackson
Executive Director of Human Resources and Administration	Tammy McDonald
Executive Director of Development	Mary McQueen
Dean, Division of Arts and Sciences	Dr. Jonda Halcomb
Dean, Division of Business, Professional, and Technology Education	Dr. Larry Lee
Dean, Division of Student Engagement and Retention	Cheryl Garner
Dean, Division of Student Outreach and Enrollment Services	Gilbert Becerra



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Government Finance Officers Association

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Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

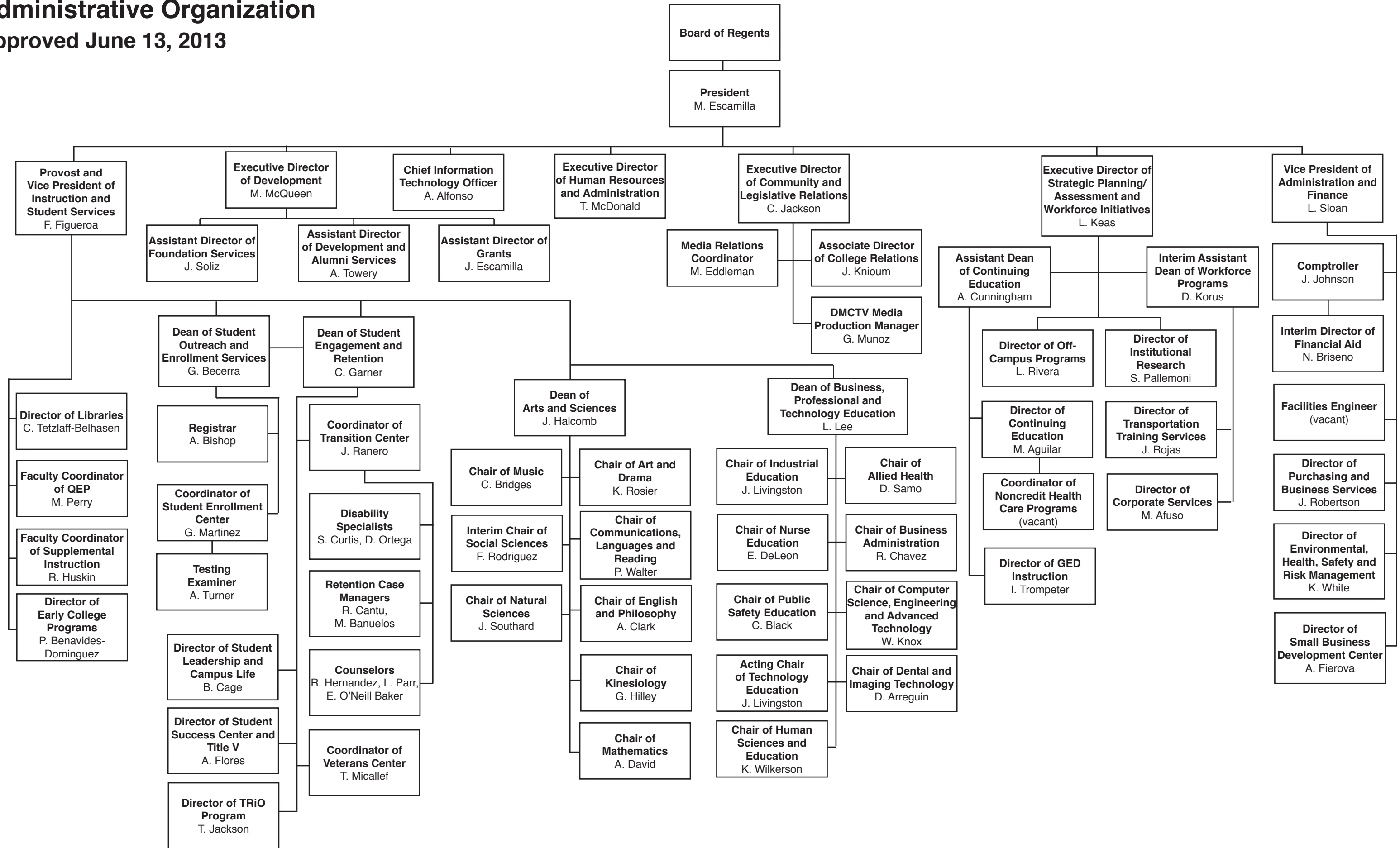
**August 31, 2012**

Executive Director/CEO

# Del Mar College

## Administrative Organization

Approved June 13, 2013







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INDEPENDENT AUDITOR'S REPORT

December 4, 2013

Board of Regents  
Del Mar College District  
Corpus Christi, Texas

**Report on the Financial Statements**

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, 2013 and 2012 and June 30, 2013 and 2012, respectively, which collectively comprise the College's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

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, 2013 and 2012 and June 30, 2013 and 2012, respectively, and the respective changes in financial position and cash flows, where applicable, thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The introductory section, schedules required by the Texas Higher Education Coordinating Board, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 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 required by the Texas Higher Education Coordinating Board; schedule of expenditures of federal awards; and schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules required by the Texas Higher Education Coordinating Board; schedule of expenditures of federal awards; and schedule of expenditures of state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, 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* in considering the College's internal control over financial reporting and compliance.

Collier, Johnson & Woods



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**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Introduction**

This section of Del Mar College's Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the College's financial position and activities for the years ended August 31, 2013 and 2012, and comparative information for the year ended August 31, 2011. Since this Management's Discussion and Analysis is designed to focus on current activities, resulting change and currently known facts, it should be read in conjunction with the transmittal letter, the College's Basic Financial Statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

**Financial Section**

The financial section of this annual report consists of three parts – Management's Discussion and Analysis, the Basic Financial Statements, and schedules required by the Texas Higher Education Coordinating Board. The financial statements, consisting of the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and, the Statements of Cash Flows are prepared in accordance with the Governmental Accounting Standards Board Statements No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; and No. 35 (GASB 35), *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

These three statements will assist the reader in determining whether the College, as a whole, is performing financially better as compared to the prior year. These statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statements of Net Position include all assets and liabilities. The College's net position (which is the difference between assets and liabilities) is one indicator of the College's financial health.

Over time, increases or decreases in net position indicate the improvement or erosion of the College's financial health, when considered with non-financial facts, such as enrollment levels and the condition of the facilities.

The Statements of Revenues, Expenses and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. The College's dependency on state allocations and ad-valorem taxes will result in operating deficits, because GASB 35 classifies state allocations and ad-valorem taxes as non-operating revenues.

Another important factor to consider, when evaluating financial viability, is the College's ability to meet financial obligations as they mature. The Statements of Cash Flows present information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing and investing activities.

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**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, 2013 and 2012. 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 Position, the Statement of Revenues, Expenses and Changes in Net Position, 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 2013 and 2012 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.

**Financial Highlights**

Some of the financial highlights of fiscal year 2013 are as follows:

- Assets of the College exceeded liabilities at the close of the fiscal year ending on August 31, 2013 by \$108.4 million. Of this amount, \$31.7 million (unrestricted net assets) may be used to meet the College's ongoing obligations.
- At the end of the current fiscal year, there was an increase in net position of \$11.1 million. Major items making up the increase were: Continued savings realized from early retirement incentive program and delay in re-staffing of \$6.5 million in salary and benefits; \$1.8 million reduction in retirement incentive payments; \$1.5 million increase in ad valorem taxes; \$876 thousand decrease in capital lease payments.

**Statement of Net Position**

The Statement of Net Position presents all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector Colleges. Net position, the difference between assets and liabilities, are one way to measure the financial health of the College. The Statement of Net Position is a point in time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the Del Mar College District.

The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (assets minus liabilities).

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Net Position (Continued)**

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 Position 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 Position provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the College.

Net Position is divided into three major categories. The first category, the net investment in capital assets component, represents the College's equity in property, plant and equipment owned by the college. The next category is the restricted component of net position, 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 resources 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. These resources are available to the College for any lawful purpose of the College.

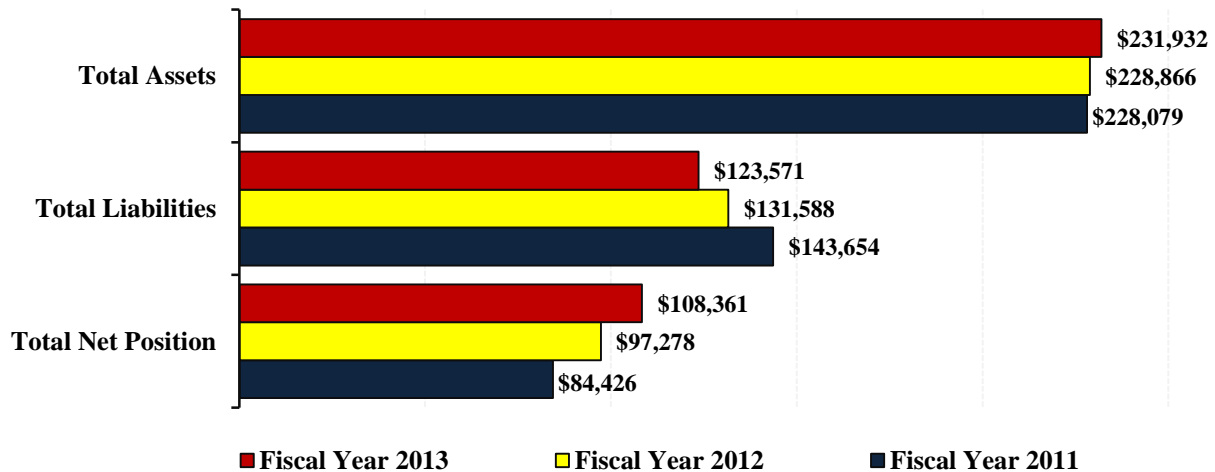
**Statement of Net Position**  
**Comparison - Fiscal Year 2013, 2012 and 2011**  
(In Thousands)

	<b>Fiscal Year 2013</b>	<b>Fiscal Year 2012</b>	<b>Fiscal Year 2011</b>	<b>2013-2012 Variance</b>	<b>2012-2011 Variance</b>
Current Assets	\$ 52,719	\$ 44,504	\$ 44,280	\$ 8,215	\$ 224
Non-Current Assets:					
Capital Assets, Net					
of Depreciation	165,842	161,650	158,279	4,192	3,371
Other	13,371	22,712	25,520	(9,341)	(2,808)
<b>Total Assets</b>	<b>231,932</b>	<b>228,866</b>	<b>228,079</b>	<b>3,066</b>	<b>787</b>
Current Liabilities	23,734	24,004	27,615	(270)	(3,611)
Non-Current Liabilities	99,837	107,584	116,039	(7,747)	(8,455)
<b>Total Liabilities</b>	<b>123,571</b>	<b>131,588</b>	<b>143,654</b>	<b>(8,017)</b>	<b>(12,066)</b>
Net Position:					
Investment in Capital Assets, Net of Related Debt	63,706	60,566	56,854	3,140	3,712
Restricted	12,987	11,933	10,330	1,054	1,603
Unrestricted	31,668	24,779	17,242	6,889	7,537
<b>Total Net Position</b>	<b>\$ 108,361</b>	<b>\$ 97,278</b>	<b>\$ 84,426</b>	<b>\$ 11,083</b>	<b>\$ 12,852</b>

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Net Position (continued)**

**Statement of Net Position**  
**Comparison - Fiscal Year 2013, 2012 and 2011**  
(in Thousands)



**2012 – 2013**

- For fiscal year 2013, total assets increased by approximately \$3.1 million. Items having the largest impact on this change include an increase in net capital assets of \$4.2 million and a decrease in the College's cash, cash equivalent, and investment position of \$700 thousand. The increase in capital assets was due to construction and renovation costs being incurred for the Music facility. Change to the College's net cash, cash equivalent, and investment position, although minimal, was caused mainly by two offsetting factors; additional cash savings of salary and benefits from the early retirement incentive program of \$6.5 million and payout of \$7.6 million toward capital improvement projects.
- Total liabilities decreased by approximately 8 million. The largest factor contributing to this change was the reduction in bonded debt of approximately \$7.2 million. Other factors contributing to this change were; a reduction of the employee retirement incentive payable of \$1.8 million an increase in accounts payable and accrued liabilities of \$1.2 million caused mainly from construction project service performed.

**2011 – 2012**

- For fiscal year 2012, total assets increased by approximately \$800 thousand. While this net increase was nominal there were significant changes to specific category types. The College's cash, cash equivalent, and investment position declined \$3.2 million while the net capital assets increased by \$3.4 million. Two factors largely contributed to the change in the College's cash position. \$7.6 million were expended for construction costs associated with the Drama and Fine Arts projects from designated bond funds. Also, during the year the College realized savings of approximately \$3.8 million in salary and benefits associated with the early retirement incentive program initiated in the prior year net of incentive payouts of \$1.8 million.

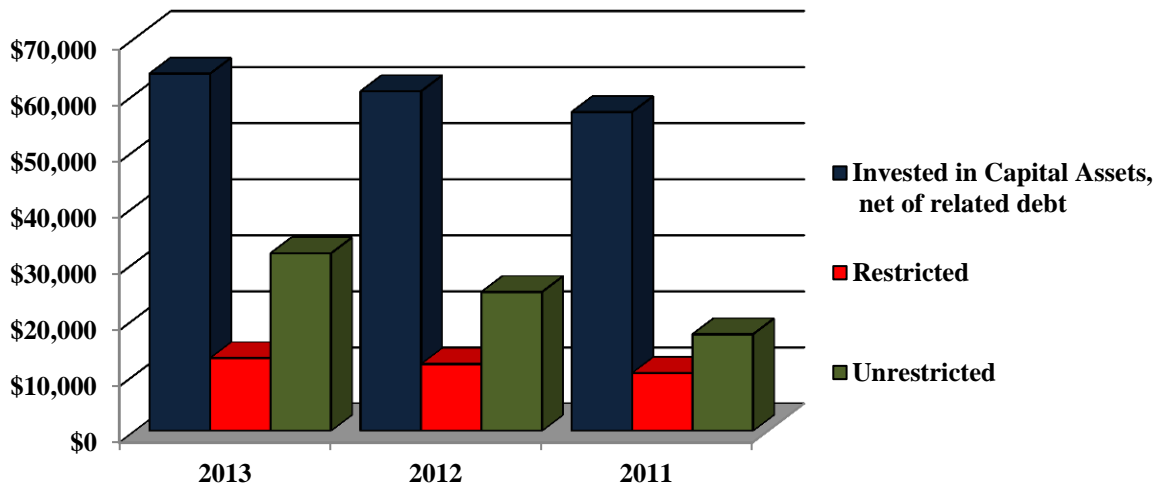
**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Net Position (continued)**

- Total liabilities decreased by approximately \$12.1 million. Major factors contributing to the change include a reduction of funds due to students of \$1.7 million for grant awards. Prior to the current year the College posted awards to students records prior to the first day of class which was before fiscal year end. Financial aid awards for fall semester 2012 were posted to student records in September 2012 (subsequent to the fiscal year end of August 31) rather than in August, as had been done in prior years. Employee benefits payable including accrued vacation and sick leave decreased by \$771 thousand. Deferred tuition revenue decreased by \$1.1 million over the prior year due to an 8.7% decline in enrollment. The College made the final payment on its lease with Banc of America Leasing and Capital for furniture and fixtures purchased for the St. Clair facility. Therefore, the amount for leases payable at year end decreased by approximately \$1 million. A factor also contributing to the decrease was payments made on bonded debt of \$6.8 million.

The following is a graphic illustration of net position at August 31, 2013, 2012 and 2011:

**Net Position**  
**Comparison - Fiscal Year 2013, 2012 and 2011**  
(in Thousands)



**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

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

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. 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.

**Statement of Revenues, Expenses and Changes in Net Position**  
**Years Ended August 31, 2013 Through 2011**  
(In Thousands)

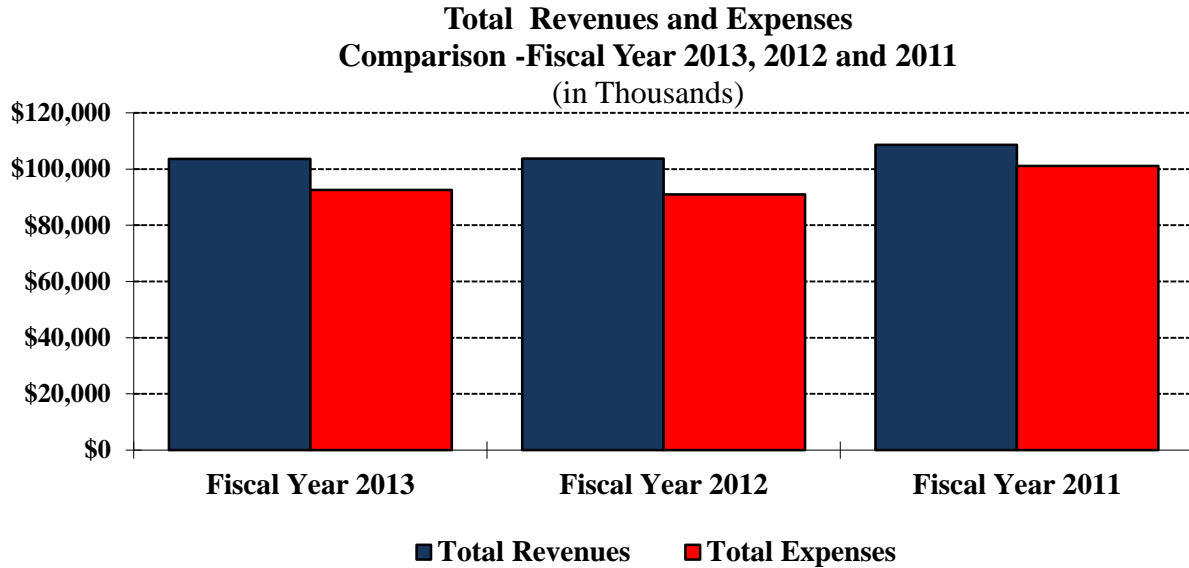
	<u>Fiscal Year</u> <u>2013</u>	<u>Fiscal Year</u> <u>2012</u>	<u>Fiscal Year</u> <u>2011</u>	<u>2013-2012</u> <u>Variance</u>	<u>2012-2011</u> <u>Variance</u>
Operating Revenues	\$ 18,144	\$ 24,633	\$ 18,947	\$ (6,489)	\$ 5,686
Non-Operating Revenues	84,646	79,126	89,645	5,520	(10,519)
<b>Total Revenues</b>	<b>\$ 102,790</b>	<b>\$ 103,759</b>	<b>\$ 108,592</b>	<b>\$ (969)</b>	<b>\$ (4,833)</b>
Operating Expenses	87,912	86,295	95,247	1,617	(8,952)
Non-Operating Expenses	4,631	4,672	5,910	(41)	(1,238)
<b>Total Expenses</b>	<b>\$ 92,543</b>	<b>\$ 90,967</b>	<b>\$ 101,157</b>	<b>\$ 1,576</b>	<b>\$ (10,190)</b>
<b>Contribution from Other Agencies</b>	<b>836</b>	<b>60</b>	<b>161</b>	<b>776</b>	<b>(101)</b>
Increase in Net Position	11,083	12,852	7,596	(1,769)	5,256
Net Position Beginning of Year	97,278	84,426	76,830	12,852	7,596
<b>Net Position End of Year</b>	<b>\$ 108,361</b>	<b>\$ 97,278</b>	<b>\$ 84,426</b>	<b>\$ 11,083</b>	<b>\$ 12,852</b>



**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

The following is a graphic illustration of total revenues and expenses at August 31, 2013, 2012 and 2011:

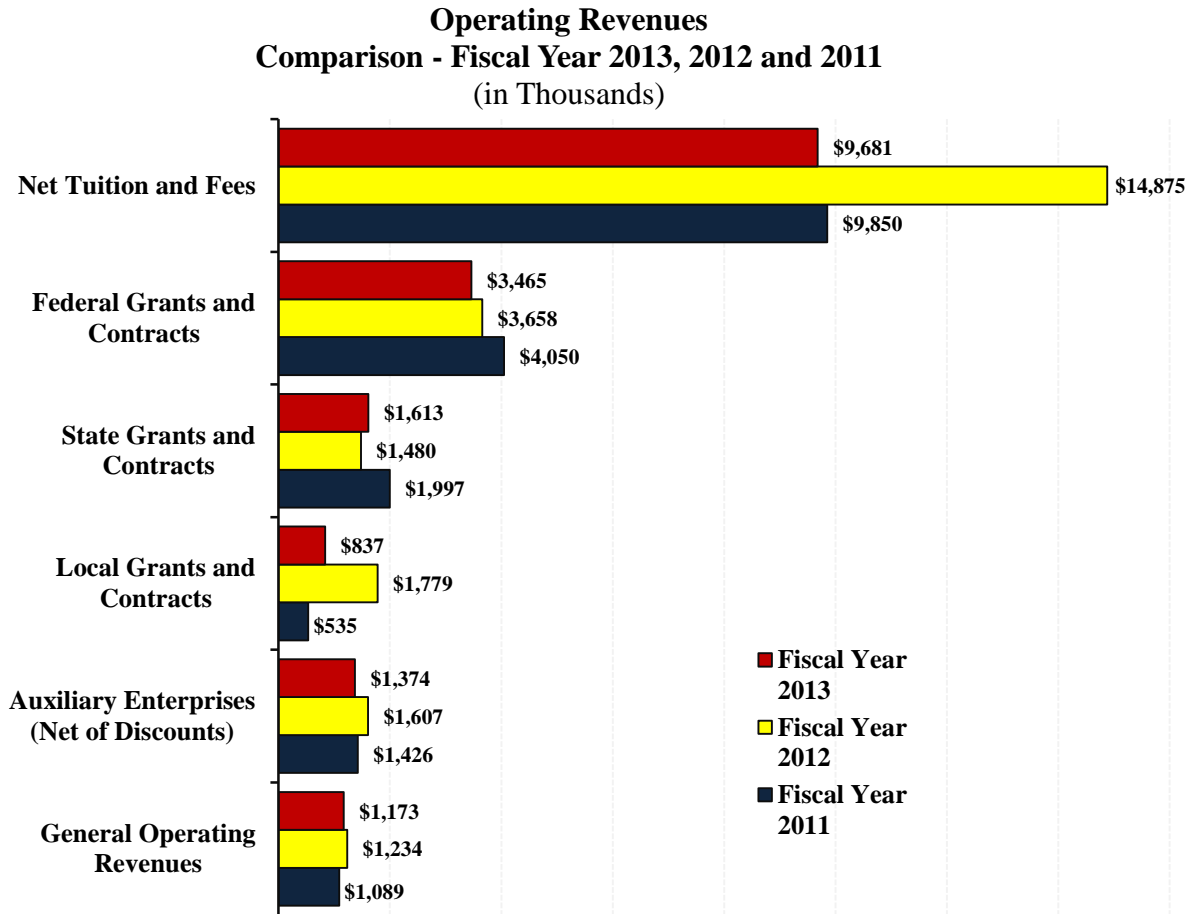


**Operating Revenues**  
**Years Ended August 31, 2013 through 2011**  
(In Thousands)

Operating Revenues	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	2013-2012 Variance	2012-2011 Variance
Tuition and Fees	\$ 24,782	\$ 26,658	\$ 25,588	\$ (1,876)	\$ 1,070
Scholarship Allowances and Discounts	(15,101)	(11,783)	(15,738)	(3,318)	3,955
Federal Grants and Contracts	3,465	3,658	4,050	(193)	(392)
State Grants and Contracts	1,614	1,480	1,997	134	(517)
Local Grants and Contracts	837	1,779	535	(942)	1,244
Auxiliary Enterprises (Net of Discounts)	1,374	1,607	1,426	(233)	181
General Operating Revenues	1,173	1,234	1,089	(61)	145
<b>Total</b>	<b>\$ 18,144</b>	<b>\$ 24,633</b>	<b>\$ 18,947</b>	<b>\$ (6,489)</b>	<b>\$ 5,686</b>

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**



Key factors impacting total operating revenues:

2012-2013

- During the current fiscal year operating revenues decreased by \$6.5 million. As indicated below, a change in the funding policy determining when students were awarded financial aid accounted for approximately \$3.3 million of this difference. A reduction in tuition and fee revenue of \$1.9 million also contributed to this decline. Lower enrollment of approximately 7.5% over the previous year, which had been anticipated due to increased employment opportunities in the Eagle Ford Shale developmental areas, was the primary cause of the decline. In addition, a \$923 thousand decline to local grants and contracts was the direct result of the completion of an aviation grant from the City of Corpus Christi for the renovation of the hanger for aviation maintenance instruction.

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

2011-2012

- Operating revenues for the fiscal year 2012 increased by approximately \$5.7 million. A change in the funding policy determining when students were awarded financial aid accounted for approximately \$4 million of this difference. Prior to the current fiscal year, student financial aid awards were posted to their accounts on or just prior to the first day of class. Because the first day of class was just prior to fiscal year-end awards made for the upcoming fall term were included in year-end totals. Beginning this year awards to student records are no longer posted to records until the official State enrollment date. Since this date falls after year end awards made to students for the fall of 2012 were not included in year end balances. Another factor impacting operating revenue was a increase in tuition revenues received of \$1.1 million.

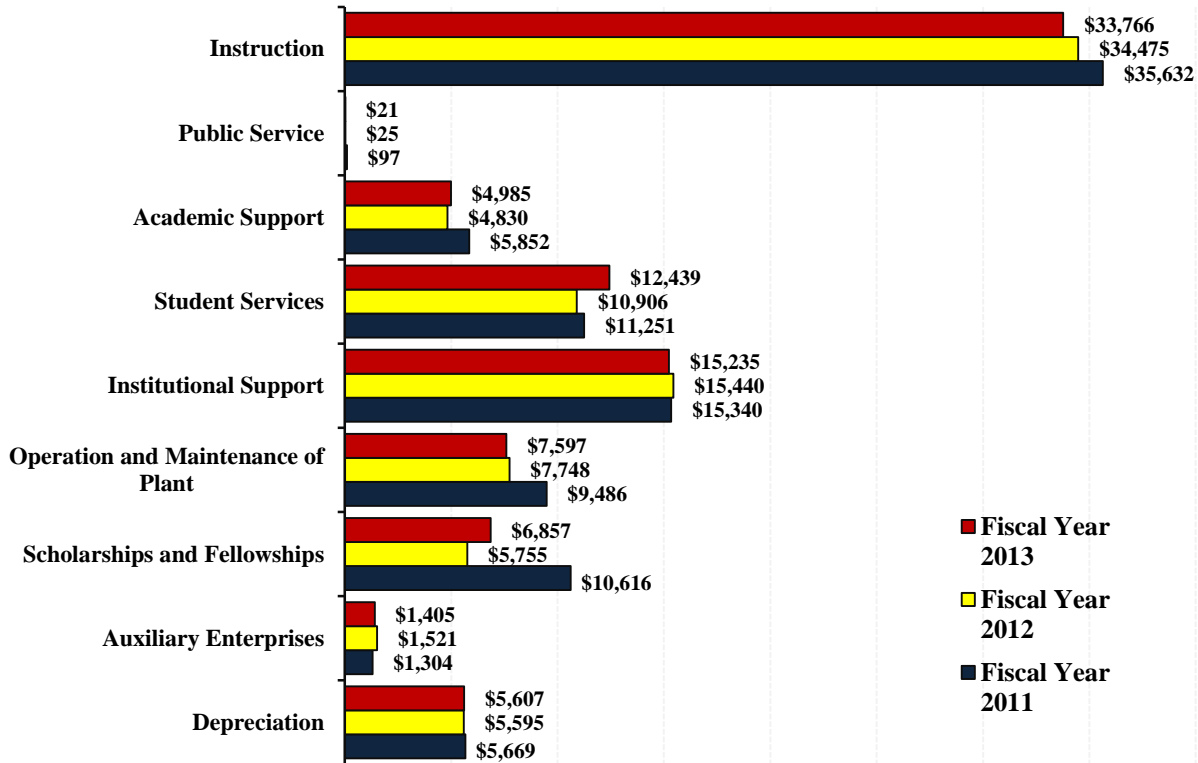
**Operating Expenses**  
**Years Ended August 31, 2013 through 2011**  
(In Thousands)

<b>Operating Expenses</b>	<b>Fiscal Year 2013</b>	<b>Fiscal Year 2012</b>	<b>Fiscal Year 2011</b>	<b>2013-2012 Variance</b>	<b>2012-2011 Variance</b>
Instruction	\$ 33,766	\$ 34,475	\$ 35,632	\$ (709)	\$ (1,157)
Public Service	21	25	97	(4)	(72)
Academic Support	4,985	4,830	5,852	155	(1,022)
Student Services	12,439	10,906	11,251	1,533	(345)
Institutional Support	15,235	15,440	15,340	(205)	100
Operation and Maintenance of Plant	7,597	7,748	9,486	(151)	(1,738)
Scholarships and Fellowships	6,857	5,755	10,616	1,102	(4,861)
Auxiliary Enterprises	1,405	1,521	1,304	(116)	217
Depreciation	5,607	5,595	5,669	12	(74)
<b>Total</b>	<b>\$ 87,912</b>	<b>\$ 86,295</b>	<b>\$ 95,247</b>	<b>\$ 1,617</b>	<b>\$ (8,952)</b>

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

**Operating Expenses by Function**  
**Comparison - Fiscal Year 2013, 2012 and 2011**  
(in Thousands)



Key factors impacting total operating expenses:

2012-2013

- For the current fiscal year, operating expenses increased by \$1.6 million. Scholarship and fellowships awarded increased by \$1.1 million. Instructional costs decreased by approximately \$709 thousand as a result of a reduction in salary and benefits paid due to a loss in enrollment of 7.5%. Student services expenditures increased by \$1.5 million. Primary areas contributing to this increase were; \$491 thousand in additional expenditures for non-capitalized computers, software, and licenses for student labs, \$252 thousand in sub-awards to outside consultants for design of instructional programs, and additional costs for salaries and benefits of \$705 thousand in student service departmental areas.

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

2011-2012

- Operating expenses decreased by approximately \$8.9 million. A significant reason for the decrease as explained above was due to the change in funding policy determining when student financial aid for the fall of 2012 was awarded. This change reduced scholarships and fellowships distributed by approximately \$4.5 million. See explanation given under "Key factors impacting operating revenues". The other factor which had the greatest impact on operational expenses was the savings realized from the early retirement incentive program initiated in the prior year. Total savings amounted to approximately \$5.6 million.

Non-operating revenues and expenses consisted of the following:

**Non-Operating Revenues and Expenses**  
**Years Ended August 31, 2013 through 2011**  
(In Thousands)

<b>Non-Operating Revenues</b>	<b>Fiscal Year 2013</b>	<b>Fiscal Year 2012</b>	<b>Fiscal Year 2011</b>	<b>2013-2012 Variance</b>	<b>2012-2011 Variance</b>
State Appropriations	\$ 19,535	\$ 20,929	\$ 23,890	\$ (1,394)	\$ (2,961)
Maintenance Ad Valorem Taxes	37,312	35,582	33,967	1,730	1,615
Debt Service Ad Valorem Taxes	8,679	8,940	9,801	(261)	(861)
Federal Revenue, Non Operating	18,730	13,113	21,317	5,617	(8,204)
Gifts	-	60	40	(60)	20
Investment Income	216	347	491	(131)	(144)
Other Non-Operating Revenues	174	155	139	19	16
<b>Total Non-Operating Revenues</b>	<b>\$ 84,646</b>	<b>\$ 79,126</b>	<b>\$ 89,645</b>	<b>\$ 5,520</b>	<b>\$ (10,519)</b>
<b>Non-Operating Expenses</b>					
Interest on Capital Related Debt	4,597	4,570	5,876	27	(1,306)
Other Non-Operating Expenses	2	1	2	1	(1)
Loss on Disposal of Capital Assets	31	100	32	(69)	68
<b>Total Non-Operating Expenses</b>	<b>\$ 4,630</b>	<b>\$ 4,671</b>	<b>\$ 5,910</b>	<b>\$ (41)</b>	<b>\$ (1,239)</b>
<b>Net Non-Operating Revenues</b>	<b>\$ 80,016</b>	<b>\$ 74,455</b>	<b>\$ 83,735</b>	<b>\$ 5,561</b>	<b>\$ (9,280)</b>

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

Key factors impacting non-operating revenues and expense:

2012-2013

- State appropriations declined by \$1.4 million. In previous years, the State contribution for individuals participating in the State's Teacher Retirement System(TRS), including the related faculty Optional Retirement Program(ORP) was funded at 6% of compensation paid. In 2011, the Texas Legislature tied funding to a maximum of 6% of each district's unrestricted general revenue appropriation. Loss of funding due to the change was \$883 thousand. In addition, base appropriations for the current year were reduced by \$584 thousand as the result of reallocation of funds appropriated for the second year of the biennium using certified contact hour data from the previous year.
- The increase in federal awards of \$5.6 million, as explained previously, was primarily due to a change in the funding policy determining when student awards are posted. In previous years student awards were posted to their accounts for the fall term on or just prior to the first day of class which was prior to year end. Beginning last year the awards are not posted until the official State enrollment reporting date which falls after year end. Due to this change awards for the fall of 2012 were included in year end balances.
- Ad Valorem taxes increased by \$1.7 million. This increase was due to a 2.3% increase in property values.

2011-2012

- State appropriations declined by \$2.96 million. During the last legislative session health insurance premiums which had been fully funded by the State for eligible employees was reduced by approximately 58%. The loss in insurance funding totaled approximately \$2.34 million. In addition, the State reduced base appropriation to all community colleges by approximately 5%. This amounted to approximately \$627 thousand to the College.
- The reduction in federal awards of \$8.2 million, as explained previously, was primarily due to a change in the funding policy determining when student awards are posted. In previous years student awards were posted to their accounts for the fall term on or just prior to the first day of class which was prior to year end. Beginning this year the awards are not posted until the official State enrollment reporting date which falls after year end. Due to this change awards for the fall of 2012 were not included in year end balances.
- Ad Valorem taxes increased by \$754 thousand. This increase was due to a 1.75% increase in property values.

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**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 assets 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 Position.

Condensed financial information from the Statement of Cash Flows is as follows:

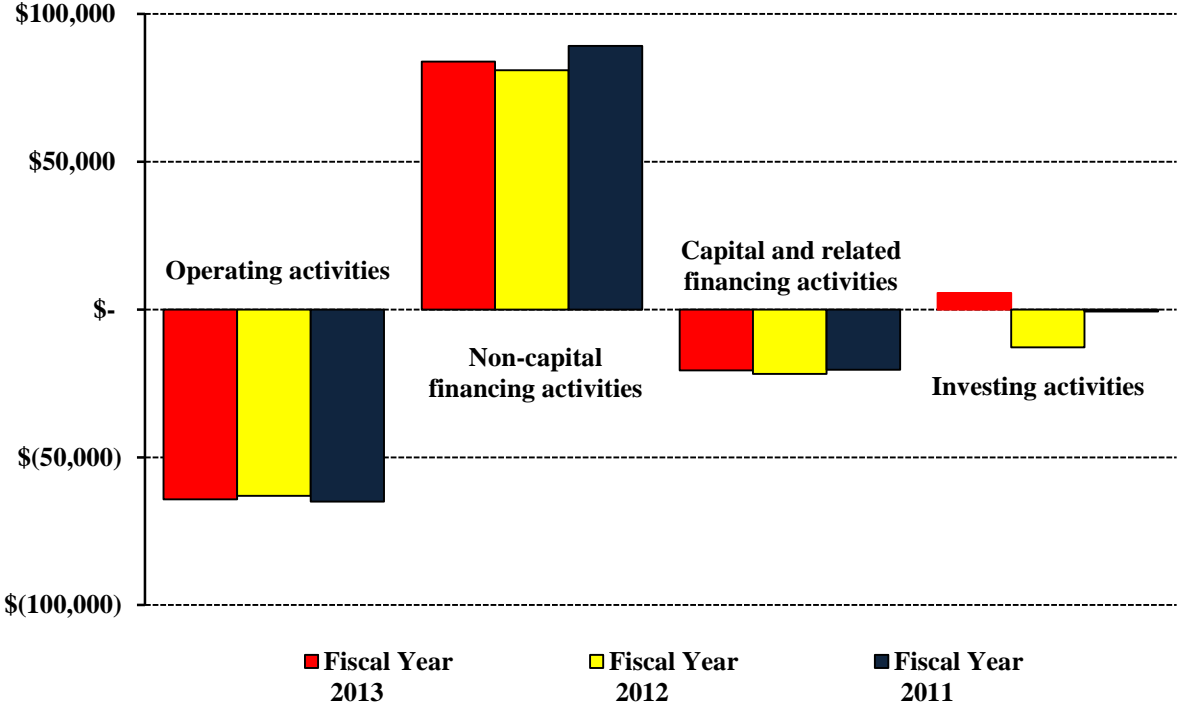
**Statement of Cash Flows**  
**Years Ended August 31, 2013 through 2011**  
(In Thousands)

<b>Cash provided (used) by:</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Operating activities	\$ (64,260)	\$ (63,069)	\$ (65,039)
Non-capital financing activities	83,915	80,983	89,200
Capital and related financing activities	(20,568)	(21,812)	(20,409)
Investing activities	5,613	(12,757)	(702)
Net change in cash and cash equivalents	4,700	(16,655)	3,050
Cash and cash equivalents - September 1	42,042	58,697	55,647
<b>Cash and cash equivalents - August 31</b>	<b>\$ 46,742</b>	<b>\$ 42,042</b>	<b>\$ 58,697</b>

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Statement of Cash Flows (continued)**

**Statement of Cash Flows**  
**Comparison - Fiscal Year 2013, 2012 and 2011**  
(in Thousands)





**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Capital Asset and Debt Administration**

The College had \$166 million invested in capital assets at August 31, 2013 and \$162 million at August 31, 2012. Additions of \$7.7 million were added to construction work in progress for costs associated with the Fine Arts, Music and Aviation projects during the current fiscal year. \$1.1 million was transferred from construction work in progress to Building and Improvements due to the completion of the Aviation facility. In the prior year, \$7.6 million was added to construction work in progress for cost incurred on the Fine Arts and Aviation projects. New equipment purchases of \$2.1 million were made during the year while \$1.4 million were disposed. In the prior year, new equipment purchases were made totaling \$1.4 million. During the same period \$1.9 million in equipment was disposed.

Capital assets are net of accumulated depreciation of \$81 million and \$77 million for fiscal years 2013 and 2012, respectively. Depreciation charges totaled \$5.6 million for both fiscal years 2013 and 2012.

The College had \$246.7 million in capital assets, and \$80.8 million in accumulated depreciation at August 31, 2013.

**Capital Assets (Net of Depreciation)**  
**Years Ended August 31, 2013 through 2011**

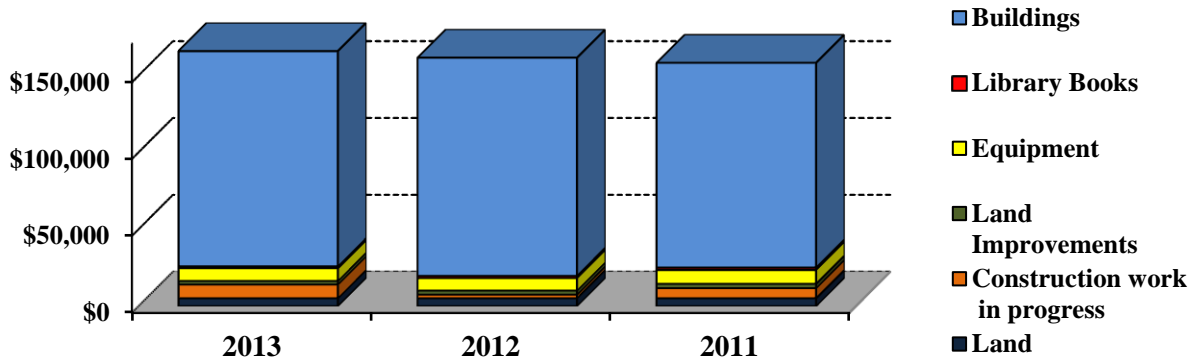
(In Thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$ 5,230	\$ 5,230	\$ 5,230
Construction in Progress	8,845	2,309	6,509
Buildings and Improvements	139,866	141,932	133,203
Land Improvements	2,412	2,620	2,837
Library Books	1,308	1,415	1,537
Furniture, machinery, vehicles, and other equipment	8,181	8,144	8,963
<b>Net capital assets</b>	<b><u>\$ 165,842</u></b>	<b><u>\$ 161,650</u></b>	<b><u>\$ 158,279</u></b>

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Capital Asset and Debt Administration (Continued)**

**Capital Assets**  
**Comparison - Fiscal Year 2013, 2012 and 2011**  
(in Thousands)



Total bond payable liability balances at August 31, 2013, 2012, and 2011 are as follows:

<b>Outstanding Debt - Bonds</b>	(In Thousands)		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Del Mar College District Limited Tax Bonds, Series 2003	\$ -	\$ 2,795	\$ 42,530
Del Mar College District Combined Fee Revenue Bonds, Series 2005	3,750	4,595	5,395
Del Mar College District Limited Tax Bonds, Series 2006	39,395	41,545	43,590
Del Mar College District Combined Fee Revenue Bonds, Series 2008	21,585	22,605	23,590
Del Mar College District Limited Tax Bonds, Series 2011	35,985	36,075	-
<b>Total Bonds Payable</b>	<b><u>\$100,715</u></b>	<b><u>\$ 107,615</u></b>	<b><u>\$ 115,105</u></b>

The College's bond ratings on the outstanding bonds are Aa2 by Moody's Investor Service, AA by Standard and Poor's, and AA+ by Fitch Ratings.

**DEL MAR COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Capital Asset and Debt Administration (Continued)**

On April 8, 2008, the College sold \$25.5 million dollars in combined fee revenue bonds. The remaining project is the renovation and new construction for the Music facility on the East Campus. Principal payments of \$5 million and \$5 million were made on outstanding general obligation bonds, \$1.9 million and \$1.8 million on revenue bonds, and \$115 thousand and \$963 thousand on leases payable during fiscal year 2013 and 2012, respectively.

Both the revenue and tax obligation bonds were issued to address the facility needs of the College. Out dated facilities which could no longer support the instructional needs of programs such as health sciences and science were replaced. Construction of new buildings and expansion of others was done to address significant growth in areas such as Public Safety, Technical, Education, Industrial and Fine Arts were necessary.

On November 1, 2011 the College issued, "Del Mar College District Limited Tax Refunding Bonds, Series 2011", amounting to \$36,330,000 to refund \$37,045,000 of the District's outstanding Limited Tax Bond, Series 2003. The advanced refunding reduced the College's debt service payments over the next twelve years by \$3,175,073.

See Notes 5, 6, 7, and 8 for additional information.

**Economic Outlook**

The Del Mar College District was partially shielded from the economic downturn in the state and nation by the local oil refinery and exploration industry. Texas and this region are net energy exporters and the oil and gas industry provides the region with a large number of high paying, stable jobs. This was especially important with the mid-year reductions in State appropriations in FY10 and FY11, and the sharp decline in appropriation funding during the FY12-13 biennium. The College District is not within the Eagle Ford Shale exploration region; however, the District is strategically located in the twenty-county impact region. The Eagle Ford Shale zone is being called the greatest economic driver for all of South Texas. The 2013 economic study of the region indicates that 86,000 people are currently working within the Eagle Ford Shale area representing \$3.3 billion in salaries and \$61 billion in total economic impact during 2012. The Corpus Christi Regional Economic Development Corporation reports over \$21 billion in related projects in the local area. Local oil field support industries and pipeline corporations are struggling to expand and respond to the demands of this fast growing industry and the College has been a direct beneficiary of this industrial boom.

The development of the Eagle Ford Shale region has led to a virtual explosion of industrial growth in the Corpus Christi Metropolitan Statistical Area with about \$22B of investments already announced and/or under construction. The Tianjim Pipe Company, a \$2.7B Chinese steel pipe mill, is the largest Chinese manufacturing investment in the United States. LyondellBasell has partnered with TexStar Midstream Services, LP for a \$97M fractionation complex. Voestalpine, Austria's largest steelmaker, is investing \$700M in a facility to convert iron ore to high quality steel. Cheniere Energy, Inc. is developing an \$11B liquefied natural gas export terminal. Oxy Ingleside Energy is developing 800 acres for processing and exporting liquefied natural gas. Trafigura AG, an international commodity corporation, has announced a

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

major expansion of service within the Port of Corpus Christi, collaborating with Energy Transfer Partners, for an 82 mile pipeline to bring natural gas directly from the Eagle Ford region. The M&G Group, an Italian corporation, is constructing two resin plants representing \$4.8B. Kewit Offshore Services and Gulf Marine Fabricators have also announced plans to hire an additional 1,000 employees for oil exploration projects.

The College operates within the school districts of Calallen, Corpus Christi, Flour Bluff, Tuloso-Midway, and West Oso. Corpus Christi ISD and the College partnered in a Collegiate High School which graduated its first class in 2010. An additional Early College program, the Harold T. Branch Academy for Career and Technology Education, partnering with the College's West Campus, began operating in Fall 2013. Other area school districts have expressed an interest in starting Early College programs. The College has launched a major Early College Initiative to develop stronger partnerships and programs with all school districts within the College's service area. The College opened an outreach center, the Northwest Center, in the summer 2010, funded with economic development funds from the City of Corpus Christi and a partnership with the Corpus Christi Medical Center valued at \$1 million. This Center serves the adult populations of that region as well as the school districts wishing to establish Early College programs and expanded Dual Credit offerings. The College maintains a partnership with the Craft Training Center of the Coastal Bend which provides National Center for Construction Education and Research Accredited training programs for the Port Industries. This partnership generates 60,000-70,000 continuing education contact hours annually, resulting in a larger share of State Appropriations for the College. The College has also expanded the Aviation Maintenance program, remodeling the Crescent Hanger at the Corpus Christi International Airport, increasing its' ability to supply skilled technicians for the local aviation industry. This project was funded by \$1,166,270 in local economic development funds from the City of Corpus Christi. This expanded student capacity will help support employers such as the Corpus Christi Army Depot which has a workforce of over 6,000.

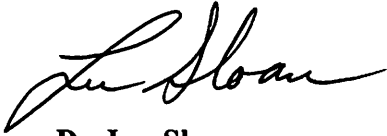
The 82<sup>nd</sup> Legislature reduced State appropriations by 24% for FY12 and FY13, requiring the College to restructure all non-instruction units, including outsourcing custodial and grounds services. Through long range budget planning, conservative fiscal management, savings from the 2011 Early Retirement program, increases in student charges, and other efficiency efforts, the College was able to absorb these revenue losses and continue to support instruction. The 83<sup>rd</sup> Legislature restored the funding cuts from prior years as a result of the booming Texas economy. The local economy is performing better than Texas as a whole. The October 2013 construction permitting values were up by 22% over the prior year. The College realized a 10.4% growth in property valuations for 2013 and it is expected that the region will continue to see major growth through the next decade.

The College remains in a unique position to continue to grow and prosper. Although the national economy is still recovering from the deep recession, the College has been able to continue to modernize and add capacity. Partnerships with local school districts, collaborations with business and industry, and a commitment to provide educational opportunities to all citizens of the College's service area have positioned the College for continued growth and financial stability.

**DEL MAR COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Request for Information**

This financial report is intended to provide a general overview of Del Mar College's finances. Requests for additional financial information may be addressed to Del Mar College Comptroller's Office, 101 Baldwin Blvd., Corpus Christi, Texas 78404.



**Dr. Lee Sloan**  
**CFO and Vice President of Operations**  
**Del Mar College**

## Del Mar College Statements of Net Position

ASSETS	August 31,	
	2013	2012
<b>Current Assets:</b>		
Cash and Cash Equivalents (Note 4)	\$ 34,412,213	\$ 22,568,747
Short Term Investments (Note 4)	9,078,000	12,457,552
Accounts Receivable, Net (Note 13)	7,797,990	8,051,808
Taxes Receivable (Note 13)	1,427,169	1,409,612
Prepaid Expenses	600	-
Notes Receivable, Net	2,905	15,625
<b>Total Current Assets</b>	<b>52,718,877</b>	<b>44,503,344</b>
<b>Noncurrent Assets:</b>		
Restricted Cash and Cash Equivalents (Note 4)	12,329,667	19,472,912
Other Long-Term Investments (Note 4)	-	2,000,000
Bond Issuance Cost, Net	1,041,380	1,239,182
Capital Assets, Net (Note 5):	165,841,650	161,650,278
<b>Total Noncurrent Assets</b>	<b>179,212,697</b>	<b>184,362,372</b>
<b>Total Assets</b>	<b>231,931,574</b>	<b>228,865,716</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities (Note 13)	4,091,791	2,939,586
Accrued Compensable Absences - Current Portion (Note 6)	250,000	735,636
Retirement Incentive Payable (Note 6 and 22)	549,996	1,800,973
Funds Held for Others	1,459,502	1,576,750
Deferred Revenues (Note 13)	10,077,679	9,936,732
Leases Payable - Current Portion (Note 6)	109,865	114,739
Bonds Payable - Current Portion (Note 6)	7,195,000	6,900,000
<b>Total Current Liabilities</b>	<b>23,733,833</b>	<b>24,004,416</b>
<b>Noncurrent Liabilities (Note 6):</b>		
Accrued Compensable Absences	4,643,409	4,214,302
Retirement Incentive Payable (Note 22)	-	538,231
Leases Payable	-	109,865
Bonds Payable	95,193,733	102,721,313
<b>Total Noncurrent Liabilities</b>	<b>99,837,142</b>	<b>107,583,711</b>
<b>Total Liabilities</b>	<b>123,570,975</b>	<b>131,588,127</b>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	63,705,698	60,565,482
Restricted for:		
Expendable		
Debt Service	11,215,786	10,141,852
Capital Projects	1,448,880	1,469,112
Loan Funds	322,127	321,945
Unrestricted	31,668,108	24,779,198
<b>Total Net Position (Schedule D)</b>	<b>\$ 108,360,599</b>	<b>\$ 97,277,589</b>

See Notes to Financial Statements.

(Continued)

**Del Mar College  
Component Unit  
Statements of Financial Position**

ASSETS	Del Mar College Foundation, Inc. June 30,	
	2013	2012
Cash and Cash Equivalents (Note 4)	\$ 600,087	\$ 993,362
Investments (Note 4)	4,756,209	4,085,175
Unconditional Promises to Give (Note 13)	127,194	187,156
<b>Total Current Assets</b>	<b>5,483,490</b>	<b>5,265,693</b>
Endowment Investments (Note 4)	8,505,624	6,804,616
Long-Term Unconditional Promises to Give (Note 13)	153,963	5,927
Beneficial Interest in Irrevocable Charitable Trust	448,388	-
<b>Total Assets</b>	<b>14,591,465</b>	<b>12,076,236</b>
<b>LIABILITIES</b>		
Accounts Payable	68,420	345,109
Due to Del Mar College	60,418	272,686
<b>Total Liabilities</b>	<b>128,838</b>	<b>617,795</b>
<b>NET ASSETS</b>		
Unrestricted	194,762	186,773
Temporarily Restricted	5,762,241	4,467,052
Permanently Restricted	8,505,624	6,804,616
<b>Total Net Assets</b>	<b>\$ 14,462,627</b>	<b>\$ 11,458,441</b>

See Notes to Financial Statements.

**Del Mar College**  
**Statements of Revenues, Expenses and Changes in Net Position**

	<u>Year Ended August 31,</u>	
	<u>2013</u>	<u>2012</u>
<b>Operating Revenues</b>		
Tuition and Fees (net of discounts of \$15,100,975 and \$11,783,018, respectively) (Note 7)	\$ 9,681,161	\$ 14,874,912
Federal Grants and Contracts	3,465,361	3,657,769
State Grants and Contracts	1,613,439	1,480,295
Local Grants and Contracts	837,213	1,779,174
Auxiliary Enterprises (net of discounts)	1,373,947	1,606,639
General Operating Revenues	1,172,798	1,233,891
<b>Total Operating Revenues (Schedule A)</b>	<b><u>18,143,919</u></b>	<b><u>24,632,680</u></b>
<b>Operating Expenses</b>		
Instruction	33,765,746	34,475,078
Public Service	21,359	24,975
Academic Support	4,984,898	4,829,859
Student Services	12,439,289	10,905,844
Institutional Support	15,235,208	15,440,078
Operation and Maintenance of Plant	7,597,543	7,748,373
Scholarships and Fellowships	6,856,972	5,755,165
Auxiliary Enterprises	1,404,623	1,521,295
Depreciation	5,606,843	5,594,775
<b>Total Operating Expenses (Schedule B)</b>	<b><u>87,912,481</u></b>	<b><u>86,295,442</u></b>
<b>Operating Loss</b>	<b>(69,768,562)</b>	<b>(61,662,762)</b>
<b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	19,535,227	20,928,729
Maintenance Ad Valorem Taxes	37,311,571	35,581,594
Debt Service Ad Valorem Taxes	8,678,589	8,939,543
Federal Revenue, Non Operating	18,730,358	13,113,471
Gifts	-	60,517
Loss on Disposal of Capital Assets	(31,345)	(100,187)
Investment Income	216,246	347,282
Interest on Capital Related Debt	(4,597,478)	(4,570,120)
Other Non-Operating Revenues	173,864	155,367
Other Non-Operating Expenses	(1,600)	(1,450)
<b>Net Non-Operating Revenues (Schedule C)</b>	<b><u>80,015,432</u></b>	<b><u>74,454,746</u></b>
<b>Capital Contributions</b>		
Contributions from Other Agencies	<b><u>836,140</u></b>	<b><u>60,000</u></b>
<b>Increase in Net Position</b>	<b>11,083,010</b>	<b>12,851,984</b>
<b>Net Position</b>		
Net Position - Beginning of Year	97,277,589	84,425,605
<b>Net Position - End of Year</b>	<b><u>\$ 108,360,599</u></b>	<b><u>\$ 97,277,589</u></b>

See Notes to Financial Statements

(Continued)



**Del Mar College  
Component Unit  
Statements of Activities and Changes in Net Assets**

<b>Del Mar College Foundation, Inc.</b>				
<b>For the Year Ended June 30, 2013</b>				
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Support, Revenue and Gains:</b>				
Scholarship Contributions	\$ -	\$ 689,365	\$ 1,706,482	\$ 2,395,847
Contributed Services and Expenses	406,449	-	-	406,449
Grants, Managed Funds, & Other Contributions	1,568	1,850,423	-	1,851,991
Net Investment Income	6,421	569,473	-	575,894
Net Assets Released from Restrictions	1,819,546	(1,819,546)	-	-
<b>Total Support, Revenue and Gains</b>	<b>2,233,984</b>	<b>1,289,715</b>	<b>1,706,482</b>	<b>5,230,181</b>
<b>Program and Support Expenses:</b>				
Scholarships	726,890	-	-	726,890
Grants, Managed Funds, & Other Awards	1,026,554	-	-	1,026,554
Administrative Non Program Awards	34,458	-	-	34,458
Fundraising Expenses	31,644	-	-	31,644
Administrative Expenses	406,449	-	-	406,449
<b>Total Program and Support Expenses</b>	<b>2,225,995</b>	<b>-</b>	<b>-</b>	<b>2,225,995</b>
<b>Increase (Decrease) in Net Assets</b>	<b>7,989</b>	<b>1,289,715</b>	<b>1,706,482</b>	<b>3,004,186</b>
Transfers and Reclassifications	-	5,474	(5,474)	-
Net Assets, Beginning of Year	186,773	4,467,052	6,804,616	11,458,441
<b>Net Assets - End of Year</b>	<b>\$ 194,762</b>	<b>\$ 5,762,241</b>	<b>\$ 8,505,624</b>	<b>\$ 14,462,627</b>
<b>For the Year Ended June 30, 2012</b>				
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Support, Revenue and Gains:</b>				
Scholarship Contributions	\$ -	\$ 474,839	\$ 1,268,971	\$ 1,743,810
Contributed Services and Expenses	316,099	-	-	316,099
Grants, Managed Funds, & Other Contributions	2,429	774,615	-	777,044
Net Investment Income	(1,597)	(199,823)	-	(201,420)
Net Assets Released from Restrictions	1,213,165	(1,213,165)	-	-
<b>Total Support, Revenue and Gains</b>	<b>1,530,096</b>	<b>(163,534)</b>	<b>1,268,971</b>	<b>2,635,533</b>
<b>Program and Support Expenses:</b>				
Scholarships	620,025	-	-	620,025
Grants, Managed Funds, & Other Awards	494,120	-	-	494,120
Administrative Non Program Awards	25,262	-	-	25,262
Fundraising Expenses	73,758	-	-	73,758
Administrative Expenses	316,099	-	-	316,099
<b>Total Program and Support Expenses</b>	<b>1,529,264</b>	<b>-</b>	<b>-</b>	<b>1,529,264</b>
<b>Increase (Decrease) in Net Assets</b>	<b>832</b>	<b>(163,534)</b>	<b>1,268,971</b>	<b>1,106,269</b>
Transfers and Reclassifications	-	(79,929)	79,929	-
Net Assets, Beginning of Year	185,941	4,710,515	5,455,716	10,352,172
<b>Net Assets - End of Year</b>	<b>\$ 186,773</b>	<b>\$ 4,467,052</b>	<b>\$ 6,804,616</b>	<b>\$ 11,458,441</b>

See Notes to Financial Statements.

**Del Mar College**  
**Statements of Cash Flows**

	Year Ended August 31,	
	2013	2012
<b>Cash Flows from Operating Activities:</b>		
Receipts from Students and Other Customers	\$ 10,586,848	\$ 12,942,917
Receipts from Grants and Contracts	6,822,593	6,260,330
Payments to Suppliers for Goods and Services	(19,796,236)	(22,057,908)
Payments to or on Behalf of Employees	(56,211,499)	(55,707,849)
Payments for Scholarships and Fellowships	(6,834,074)	(5,740,915)
Loans Issued to Students	(18,326)	(65,268)
Collection of Loans to Students	31,046	156,165
Other General Operating Receipts	1,160,078	1,142,994
<b>Net Cash Used by Operating Activities</b>	<b>(64,259,570)</b>	<b>(63,069,534)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Receipts from State Appropriations	19,607,673	20,943,069
Receipts from Ad Valorem Taxes	45,972,603	44,483,240
Receipts from Non Operating Federal Revenue	18,452,268	15,295,411
Receipts from Student Organizations and Other Agency Transactions	2,120,430	1,264,528
Payments to Student Organizations and Other Agency Transactions	(2,237,678)	(1,002,914)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>83,915,296</b>	<b>80,983,334</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Contribution for Bond Refunding	-	(589,537)
Contribution Received in Aid of Equipment Purchases	760,640	-
Purchases of Capital Assets	(9,580,196)	(8,902,345)
Proceeds of Sale of Assets	-	112,399
Payments on Capital Debt - Principal	(7,014,740)	(7,737,518)
Payments on Capital Debt - Interest	(4,733,855)	(4,695,139)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(20,568,151)</b>	<b>(21,812,140)</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sales and Maturities of Investments	12,475,400	1,010,125
Interest on Investments	233,094	690,108
Purchase of Investments	(7,095,848)	(14,457,552)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>5,612,646</b>	<b>(12,757,319)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,700,221</b>	<b>(16,655,659)</b>
Cash and Cash Equivalents—September 1	42,041,659	58,697,318
<b>Cash and Cash Equivalents—August 31</b>	<b>\$ 46,741,880</b>	<b>\$ 42,041,659</b>

See Notes to Financial Statements

(Continued)

**Exhibit 3**  
**Continuation**

**Del Mar College**  
**Statements of Cash Flows**

	<b>Year Ended August 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>Reconciliation of Net Operating Loss to Net Cash</b>		
<b>Used by Operating Activities:</b>		
Operating Loss	(69,768,562)	(61,662,762)
<b>Adjustments to Reconcile Net Loss to Net Cash</b>		
<b>Used by Operating Activities:</b>		
Depreciation Expense	5,606,843	5,594,775
Bad Debt Expense	157,961	403,736
Changes in Assets and Liabilities:		
Receivables, Net	284,653	(3,500,357)
Prepaid Expenses	(600)	-
Notes Receivable	12,720	(11,338)
Accounts Payable and Accrued Liabilities	1,152,205	(2,599,130)
Retirement Incentive Payable	(1,789,208)	(33,867)
Compensated Absences	(56,529)	(193,444)
Deferred Revenues	140,947	(1,067,147)
<b>Net Cash Used by Operating Activities</b>	<b>(64,259,570)</b>	<b>(63,069,534)</b>
<b>Noncash Investing, Capital and Financing Activities:</b>		
Contribution of Capital Assets	\$ 75,500	\$ 60,000
Bond Refunding	\$ -	\$ 40,056,561

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 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.

**Discrete Component Unit**

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

Del Mar College Foundation ("the Foundation") is a Texas nonprofit corporation, chartered in 1983, to provide supplemental financial resources to advance the institutional goals and expand the educational services of the College. It is the intention of the Foundation to support educational initiatives which will enhance the quality of facilities and instruction, increase and diversify educational services, and improve accessibility to educational opportunities for students, faculty, staff, and residents of the geographic areas served by the College. The Foundation is accounted for separately in the Basic Financial Statements of the College and has a June 30 fiscal year end. The Foundation's Notes to Financial Statements are disclosed in Note 19. Complete financial statements of Del Mar College Foundation can be obtained from the administrative offices of the Foundation.

**Note 2 - Summary of Significant Accounting Policies**

A. 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. The College is reported as a special-purpose government engaged in business-type activities.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**B. Nature of Operations**

Del Mar College is a political subdivision of the State of Texas located in Nueces County. The College offers academic, general occupational, developmental, and continuing adult education programs. The College is governed by a nine member Board of Regents who serve staggered six-year terms. Five Regents are elected to represent single-member districts and four members are elected at large. Three positions are filled every two years. Vacancies on the Board are filled for an unexpired term according to Board bylaws.

**C. 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 fees 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 a 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 a 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 fees 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.

**D. 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. The College's financial statements are prepared using the economic resources measurement focus. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 2 - Summary of Significant Accounting Policies (Continued)**

E. 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.

F. 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.

G. 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.

H. Inventories

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

I. 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 \$5,000 are considered capital assets. 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.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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

Buildings	50 years
Facilities and Other Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years
Works of Art	Not depreciated

J. Deferred Revenues

Deferred revenues include the (1) amounts received for tuition and fees for the fall term of the next fiscal year and are not revenue in the current year and (2) amounts received from grants and contract sponsors that also have not been earned.

K. 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.

L. 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. As business-type activities, the College's operating revenues are defined as the result of exchange transactions with those who purchase, use, or directly benefit from the goods or services of the College. The principal operating revenues are tuition and related fees, net of discounts. The College also recognizes as operating revenue Federal/State/Local Grants, Non-Governmental Grants and Contracts, Auxiliary Enterprises, and Other Operating Revenues. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. The operation of the bookstore is not performed by the College. Non-operating revenues include activities that have the characteristic of non-exchange transactions, such as gifts and contributions, property tax and other revenue sources that are defined as non-operating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, such as investment income. The major non-operating revenues are allocations from the State, including restricted revenues such as state insurance and benefit allocations, property tax collections, and Title IV funds. Transactions for which cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities are reported as non-operating revenues or non-operating expenses.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 2 - Summary of Significant Accounting Policies (Continued)**

M. 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.

N. 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.

O. Net Position

The College's net position is classified as follows:

Net investment in capital assets: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net position – expendable: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments and auxiliary enterprises which are substantially self-supporting activities that provide services for students, faculty and staff. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources.

P. Funds Held in Trust for Others

At August 31, 2013, and at August 31, 2012, the College held, in trust funds, amounts of \$1,459,502 and \$1,576,750, respectively, that pertain primarily to student organizations. These funds are not available to support the College's programs.



**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Q. Bond Discounts/Premiums

Bond discounts/premiums and issuance costs are deferred and amortized over the term of the bond. Bond discounts/premiums are presented as a reduction/addition of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

R. Gain or Loss on Retirement of Debt

The gain or loss on the early retirement of debt is deferred and amortized over the shorter of (1) the remaining amortization period that was used in the original refunding or (2) the life of the newly issued debt. This deferred amount is reported as a deduction from the new debt liability on the statement of net assets.

S. Characterization of Title IV Grant Revenues

The Texas Higher Education Coordinating Board requires colleges to classify the revenue received for federal Title IV grant programs (i.e. Pell grants) as operating revenue rather than non-operating revenue.

**Note 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) constant-dollar, Texas Local Government Investment Pools, (3) money market mutual funds, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Note 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, Statement of Net Assets

	<b>2013</b>		<b>2012</b>	
	<b>College</b>	<b>Foundation</b>	<b>College</b>	<b>Foundation</b>
Demand Deposits	\$ 3,184,315	\$ 36,584	\$ 3,982,734	\$ 247,514
Savings Account	23,964,292	-	15,248,968	-
Money Market	748,059	563,404	990,936	745,748
NOW Accounts	530,606	-	529,372	-
Choice 4 Mutual Fund	1,806,101	-	1,730,018	-
Tex Pool	304,433	-	304,615	-
Logic Pool	7,065,334	-	11,165,481	-
Tex Star	8,042	-	9,032	-
Certificate of Deposit	9,109,548	-	8,059,203	-
Petty Cash on Hand	21,150	100	21,300	100
<b>Total Cash and Deposits</b>	<b>\$ 46,741,880</b>	<b>\$ 600,088</b>	<b>\$ 42,041,659</b>	<b>\$ 993,362</b>
<b>Exhibit 1</b>				
Current Assets (Unrestricted)	\$ 34,412,213	\$ 600,088	\$ 22,568,747	\$ 993,362
Noncurrent Assets (Restricted)	12,329,667	-	19,472,912	-
	<b>\$ 46,741,880</b>	<b>\$ 600,088</b>	<b>\$ 42,041,659</b>	<b>\$ 993,362</b>

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

Reconciliation of Investments to Exhibit 1, Statement of Net Assets

<b>Type of Security</b>	<b>2013</b>		<b>2012</b>	
	<b>College</b>	<b>Foundation</b>	<b>College</b>	<b>Foundation</b>
Municipal Notes	\$ 9,078,000	\$ -	\$ 14,457,552	\$ -
Exchange Traded Funds	-	812,348	-	3,444,099
Mutual Funds	-	10,950,181	-	5,764,527
Alternative Investments	-	-	-	23,612
Certificates of Deposit	-	1,378,137	-	1,603,025
Donated Land	-	121,167	-	54,528
<b>Total Investments</b>	<b>\$ 9,078,000</b>	<b>\$ 13,261,833</b>	<b>\$ 14,457,552</b>	<b>\$ 10,889,791</b>
<b>Exhibit 1</b>				
Current Assets (Unrestricted)	\$ 9,078,000	\$ 4,756,209	\$ 12,457,552	\$ 4,085,175
Noncurrent Assets (Unrestricted)	-	-	2,000,000	-
Noncurrent Assets (Restricted)	-	8,505,624	-	6,804,616
	<b>\$ 9,078,000</b>	<b>\$ 13,261,833</b>	<b>\$ 14,457,552</b>	<b>\$ 10,889,791</b>

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 4 - Deposits and Investments (Continued)**

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, 2013, the portfolio contained no holdings with stated maturity dates extending past September, 2014.

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, 2013, the College's investments in money market mutual funds, and local governmental investment pools were all rated AAA by Standard and Poor's. The College's municipal bond investments were rated by Moody's between ratings of Aa3 and AAA.

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 10% 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.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Note 4 - Deposits and Investments (Continued)**

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 limits for all authorized investment types which are monitored on at least a quarterly basis.

Diversification limits are set as follows:

<u>Investment Type</u>	<u>Percentage of Portfolio</u>	
	<u>Allowable</u>	<u>Actual</u>
U.S Obligations	80%	0%
U.S. Agencies/Instrumentalities	75%	0%
Certificates of Deposit	75%	18%
Repurchase Agreements	100%	0%
Local Governmental Investment Pools	100%	14%
Money Market Mutual Funds	50%	51%
Commercial Paper	25%	0%
Bankers Acceptances	20%	0%
Mutual Funds	10%	0%
State & Municipal Obligations	20%	17%
Corporate Obligations	25%	0%
Negotiable Certificates of Deposit	25%	0%

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 4 - Deposits and Investments (Continued)**

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%-60%, alternatives 10%-25%, and fixed income 25%-45%.

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, 2013, the College's portfolio contained 11 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.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 5 - Capital Assets**

Capital assets activity for the year ended August 31, 2013 was as follows:

	<b>Balance Sept 1, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Aug 31, 2013</b>
<b><u>Not Depreciated:</u></b>				
Land	\$ 5,230,057	\$ -	\$ -	\$ 5,230,057
Construction in Progress	2,308,972	7,665,531	1,129,830	8,844,673
<b>Subtotal</b>	<b>7,539,029</b>	<b>7,665,531</b>	<b>1,129,830</b>	<b>14,074,730</b>
<b><u>Building and Other Capital Assets:</u></b>				
Buildings and Improvements	181,678,351	1,129,831	-	182,808,182
Land Improvements	11,869,319	-	-	11,869,319
Library Books	6,152,578	98,000	-	6,250,578
Furniture, Machinery, Vehicles, and Other Equipment	30,516,260	2,066,029.00	1,385,999	31,196,290
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
<b>Subtotal</b>	<b>230,676,006</b>	<b>3,293,860</b>	<b>1,385,999</b>	<b>232,583,867</b>
<b><u>Accumulated Depreciation:</u></b>				
Buildings and Improvements	39,745,847	3,196,259	-	42,942,106
Land Improvements	9,249,684	208,300	-	9,457,984
Library Books	4,737,333	204,970	-	4,942,303
Furniture, Machinery, Vehicles, and Other Equipment	22,372,395	1,997,314	1,354,653	23,015,056
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
<b>Subtotal</b>	<b>76,564,757</b>	<b>5,606,843</b>	<b>1,354,653</b>	<b>80,816,947</b>
<b>Net Other Capital Assets</b>	<b>154,111,249</b>	<b>(2,312,983)</b>	<b>31,346</b>	<b>151,766,920</b>
<b>Net Capital Assets</b>	<b>\$ 161,650,278</b>	<b>\$ 5,352,548</b>	<b>\$ 1,161,176</b>	<b>\$ 165,841,650</b>

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Note 5 - Capital Assets (Continued)**

Capital assets activity for the year ended August 31, 2012 was as follows:

	<b>Balance Sept 1, 2011</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Aug 31, 2012</b>
<b><u>Not Depreciated:</u></b>				
Land	\$ 5,230,057	\$ -	\$ -	\$ 5,230,057
Construction in Progress	6,509,324	7,560,907	11,761,259	2,308,972
<b>Subtotal</b>	<b>11,739,381</b>	<b>7,560,907</b>	<b>11,761,259</b>	<b>7,539,029</b>
<b><u>Building and Other Capital Assets:</u></b>				
Buildings and Improvements	170,439,053	11,807,185	567,887	181,678,351
Land Improvements	11,869,319	-	-	11,869,319
Library Books	6,041,088	111,490	-	6,152,578
Furniture, Machinery, Vehicles, and Other Equipment	30,969,459	1,399,907	1,853,106	30,516,260
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
<b>Subtotal</b>	<b>219,778,417</b>	<b>13,318,582</b>	<b>2,420,993</b>	<b>230,676,006</b>
<b><u>Accumulated Depreciation:</u></b>				
Buildings and Improvements	37,235,727	3,021,219	511,099	39,745,847
Land Improvements	9,032,926	216,758	-	9,249,684
Library Books	4,504,003	233,330	-	4,737,333
Furniture, Machinery, Vehicles, and Other Equipment	22,006,234	2,123,468	1,757,307	22,372,395
Telecommunications and Peripheral Equipment	459,498	-	-	459,498
<b>Subtotal</b>	<b>73,238,388</b>	<b>5,594,775</b>	<b>2,268,406</b>	<b>76,564,757</b>
<b>Net Other Capital Assets</b>	<b>146,540,029</b>	<b>7,723,807</b>	<b>152,587</b>	<b>154,111,249</b>
<b>Net Capital Assets</b>	<b>\$ 158,279,410</b>	<b>\$ 15,284,714</b>	<b>\$ 11,913,846</b>	<b>\$ 161,650,278</b>

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Note 6 - Long-Term Liabilities**

Long-term liability activity for the year ended August 31, 2013 was as follows:

	<u>Balance Sept. 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Aug. 31, 2013</u>	<u>Current Portion</u>
<b><u>Bonds</u></b>					
General obligation bonds and notes	\$ 80,415,000	\$ -	\$ 5,035,000	\$ 75,380,000	\$ 5,265,000
Bond premium	4,998,870	-	771,795	4,227,075	-
Deferred amounts on refunding	(2,992,557)	-	(439,215)	(2,553,342)	-
Revenue bonds	27,200,000	-	1,865,000	25,335,000	1,930,000
<b>Subtotal</b>	<b>109,621,313</b>	<b>-</b>	<b>7,232,580</b>	<b>102,388,733</b>	<b>7,195,000</b>
<b>Leases</b>	<b>224,605</b>	<b>-</b>	<b>114,740</b>	<b>109,865</b>	<b>109,865</b>
<b>Accrued Compensable Absences</b>	<b>4,949,938</b>	<b>621,192</b>	<b>677,720</b>	<b>4,893,410</b>	<b>250,000</b>
<b>Retirement Incentive</b>	<b>2,339,204</b>	<b>-</b>	<b>1,789,208</b>	<b>549,996</b>	<b>549,996</b>
<b>Total long-term liabilities</b>	<b>\$ 117,135,060</b>	<b>\$ 621,192</b>	<b>\$ 9,814,248</b>	<b>\$ 107,942,004</b>	<b>\$ 8,104,861</b>

Long-term liability activity for the year ended August 31, 2012 was as follows:

	<u>Balance Sept. 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Aug. 31, 2012</u>	<u>Current Portion</u>
<b><u>Bonds</u></b>					
General obligation bonds and notes	\$ 86,120,000	\$ 36,330,000	\$ 42,035,000	\$ 80,415,000	\$ 5,035,000
Bond premium	2,114,768	4,145,296	1,261,194	4,998,870	-
Deferred amounts on refunding	(127,374)	(3,243,330)	(378,147)	(2,992,557)	-
Revenue bonds	28,985,000	-	1,785,000	27,200,000	1,865,000
<b>Subtotal</b>	<b>117,092,394</b>	<b>37,231,966</b>	<b>44,703,047</b>	<b>109,621,313</b>	<b>6,900,000</b>
<b>Leases</b>	<b>1,187,122</b>	<b>-</b>	<b>962,517</b>	<b>224,605</b>	<b>114,739</b>
<b>Accrued Compensable Absences</b>	<b>5,143,382</b>	<b>459,202</b>	<b>652,646</b>	<b>4,949,938</b>	<b>735,636</b>
<b>Retirement Incentive</b>	<b>2,373,071</b>	<b>1,838,234</b>	<b>1,872,101</b>	<b>2,339,204</b>	<b>1,800,973</b>
<b>Total long-term liabilities</b>	<b>\$ 125,795,969</b>	<b>\$ 39,529,402</b>	<b>\$ 48,190,311</b>	<b>\$ 117,135,060</b>	<b>\$ 9,551,348</b>



**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 7 - Bonds**

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 were 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. Bonds having stated maturities on August 15, 2014 and after, which amounted to \$37,045,000, were redeemed in whole on November 01, 2011. On August 15, 2013, the final payment of \$2,795,000 was made and the issue was fully retired. The bonds were 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 were 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.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 7 – Bonds (Continued)**

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.

Bonds Payable-Limited Tax Refunding Bonds, Series 2011

On November 1, 2011, the College issued, “Del Mar College District Limited Tax Refunding Bonds, Series 2011”, amounting to \$36,330,000. Proceeds from the sale of the Bonds were used to refund \$37,045,000 of the District’s outstanding Limited Tax Bonds, Series 2003. The 2003 Series bonds maturing August 15, 2014 and after are considered fully defeased and the liability for those bonds have been removed from the books. The advance refunding reduced the College’s debt service payments over the next twelve years by \$3,175,073. A premium of \$4,145,296 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 \$2,693,080. Interest on Series 2011 is payable on February 15 and August 15 of each year, commencing on February 15, 2011 at rates varying from 2% to 5% with the final payment due August 15, 2023. On August 15, 2022, or any date thereafter, the Bonds may be redeemed prior to their scheduled maturities 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.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 7 – Bonds (Continued)**

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

<u>Year Ending</u> <u>August 31</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 5,265,000	\$ 3,402,970	\$ 1,930,000	\$ 1,121,006
2015	5,455,000	3,199,920	2,020,000	1,043,806
2016	5,715,000	2,958,120	2,100,000	963,006
2017	5,955,000	2,704,620	2,180,000	881,406
2018	6,230,000	2,429,013	1,235,000	795,450
2019-2023	35,455,000	7,866,263	7,020,000	3,131,675
2024-2028	11,305,000	1,074,845	8,850,000	1,300,338
<b>Total 08/31/2013</b>	<b><u>\$ 75,380,000</u></b>	<b><u>\$ 23,635,751</u></b>	<b><u>\$ 25,335,000</u></b>	<b><u>\$ 9,236,687</u></b>
2013	5,035,000	3,631,058	1,865,000	1,190,506
<b>Total 08/31/2012</b>	<b><u>\$ 80,415,000</u></b>	<b><u>\$ 27,266,809</u></b>	<b><u>\$ 27,200,000</u></b>	<b><u>\$ 10,427,193</u></b>

**Note 8 - Lease Obligations**

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 includes 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 \$492,505 and \$383,060 as of August 31, 2013 and 2012, respectively. The lease term interest rate is 4.56%.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 8 - Lease Obligations (Continued)**

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

<u>Year Ending August 31</u>	<u>2013</u>	<u>2012</u>
2013	\$ -	\$ 122,603
2014	112,386	112,386
Total minimum lease payments	112,386	234,989
Less amounts representing interest	2,521	10,384
<b>Present value of minimum lease payments</b>	<b>\$ 109,865</b>	<b>\$ 224,605</b>

Operating Lease – Bay Area Healthcare Group, LTD

In February 2010, the College entered into an “Expiring Term Lease with Bay Area Healthcare Group, LTD” for a building located at 13725 Northwest Boulevard, Corpus Christi, Texas. The commencement date of the lease is February 15, 2010 and the expiration date is February 20, 2020. Under the terms of the lease, the College is required to pay \$1 per year which is defined as the “Annual Base Rent”. The College is responsible for general upkeep of the property during the term of the lease along with all normally incurred general expenditures associated with the property.

Operating Lease – City of Corpus Christi

In May 2011, the College entered into an “Expiring Term Lease with the City of Corpus Christi” for land, existing hanger, parking lot, and office area located at the Corpus Christi International Airport. Under the terms of the lease the College is required to make improvements to the facility in order to provide an Aviation Maintenance Technical Education Program to its’ students. The lease is for a base term of fifteen years and may be extended for an additional ten year term upon agreement of the City Manager and College President. So long as the College uses the entire premises solely for the program stated above the annual rent shall be \$1 per year, the payment of which is due on January 1<sup>st</sup> of each year. The College is responsible for all upkeep of the property during the term of the lease along with all normally incurred general expenditures associated with the property.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 9 - 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. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan.

TRS issues a publicly available financial report with required supplementary information which may be obtained from [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

*Funding Policy:*

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.4% of the member's annual compensation and a state contribution rate of not less than 6.4% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2013, 2012 and 2011, and a state contribution rate of 6.0% for fiscal years 2013, 2012 and 2011. In certain instances the reporting district is required to make all or a portion of the state's 6.0% for fiscal years 2013, 2012 and 2011. State contributions to TRS made on behalf of the College employees for the years ended August 31, 2013, 2012 and 2011 were \$1,238,271 \$1,111,703, and \$1,376,902, respectively. The total payroll for all College employees was \$42,423,487 \$42,831,934, and \$45,350,303 for fiscal years 2013, 2012, and 2011, 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 6.65%, 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.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Employees' Retirement Plans (Continued)**

The total payroll of employees covered by the Teacher Retirement System was \$20,858,983 and \$19,658,136, and the total payroll of employees covered by the Optional Retirement Program was \$13,206,821 and \$13,941,855 for fiscal years 2013 and 2012, 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 a minimum of 3.75% of gross earnings. The College's contribution for this Alternate Retirement Plan totaled \$48,542 and \$54,005 for years August 31, 2013 and 2012, 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, 2013 and 2012 was \$1,277,241 and \$1,440,119 respectively.

**Note 10 - Deferred Compensation Program**

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

As of August 31, 2013, the College had 120 employees vested and participating in the program. A total of \$697,524 in contributions was invested in the plan during the fiscal year.

As of August 31, 2012, the College had 134 employees vested and participating in the program. A total of \$945,215 in contributions was invested in the plan during the fiscal year.

**Note 11 - 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 of 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

**DEL MAR COLLEGE**  
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**Note 11 – Compensable Absences (Continued)**

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, 2013 and 2012, the College had an accrued liability for the unpaid vacation and sick leave as follows:

	<u>2013</u>	<u>2012</u>
Vacation	\$ 711,345	\$ 585,779
Sick Leave	4,182,064	4,364,159
Total Liability for Compensable Absences	<u>\$ 4,893,409</u>	<u>\$ 4,949,938</u>

The College recognized \$250,000 and \$735,636 of the liability above as a current liability for fiscal years August 31, 2013 and 2012 respectively.

**Note 12 - Pending Lawsuits and Claims**

At August 31, 2013, 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.

**Note 13 - Disaggregation of Receivables, Payables, and Deferred Revenues**

**Receivables**

Receivables at August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Student Receivables	\$ 7,320,183	\$ 7,313,647
Federal Receivables	1,351,949	1,608,195
Interest Receivables	59,148	75,996
State ORP Contribution Receivable	-	72,447
<b>Total Receivables</b>	<u><b>8,731,280</b></u>	<u><b>9,070,285</b></u>
Less: Allowance for Doubtful Accounts	933,290	1,018,477
<b>Net Receivables</b>	<u><b>\$ 7,797,990</b></u>	<u><b>\$ 8,051,808</b></u>

Taxes receivable of \$1,427,169 and \$1,409,612 are net of the allowance for doubtful accounts of \$838,179 and \$827,867 at August 31, 2013 and 2012, respectively.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 13 - Disaggregation of Receivables, Payables, and Deferred Revenues (Continued)**

The Foundation has received promises and been awarded grants. Unconditional promises to give at June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Student Scholarships	\$ 282,534	\$ 193,139
Staff and Faculty Enrichment	660	17
Total Unconditional Promises to Give	<u>283,194</u>	<u>193,156</u>
Less: Unamortized Discount	<u>2,037</u>	<u>73</u>
Net Unconditional Promises to Give	<u>281,157</u>	<u>193,083</u>
Less Amount Due in One Year or Less	<u>127,194</u>	<u>187,156</u>
<b>Net Long-Term Unconditional Promises to Give</b>	<b><u><u>\$ 153,963</u></u></b>	<b><u><u>\$ 5,927</u></u></b>

Discount rate of 0.66 and 0.41 was used on long-term promises to give as of June 30, 2013 and 2012, respectively. The Foundation considers promises to give fully collectible; accordingly, no allowance for uncollectible promises has been provided.

**Payables**

Payables at August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Vendors Payable	\$ 3,293,215	\$ 2,678,743
Salaries & Benefits Payable	656,711	29,314
Students Payable	-	355
Accrued Interest	<u>141,865</u>	<u>231,174</u>
<b>Total Payables</b>	<b><u><u>\$ 4,091,791</u></u></b>	<b><u><u>\$ 2,939,586</u></u></b>

Deferred revenues at August 31, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Tuition and Fees	\$ 9,399,786	\$ 9,631,083
Federal, State and Local Grants	<u>677,893</u>	<u>305,649</u>
	<b><u><u>\$ 10,077,679</u></u></b>	<b><u><u>\$ 9,936,732</u></u></b>



**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 14 - Contract and Grant Awards**

For federal contract and grant awards, funds expended but not collected, are reported as Federal Receivables in Footnote 13. 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 award funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 2013 and 2012 for which monies have not been received nor funds expended totaled \$10,282,112 and \$10,928,661, respectively. Of these amounts, \$10,060,980 and \$10,928,661 were from Federal Contract and Grant Awards; \$202,626 and \$0 were from State Contract and Grant awards; \$18,506 and \$0 were from Private Contract and Grant Awards, for the fiscal years ended 2013 and 2012, respectively.

**Note 15 - Post Retirement Health Care and Life Insurance Benefits**

*Plan Description.* Del Mar College contributes to the State Retiree Health Plan (SRHP), a cost sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the Employee Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State Law and may be amended by the Texas Legislature. ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

*Funding Policy.* Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage, for the current year, is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

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.

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Note 15 - Post Retirement Health Care and Life Insurance Benefits (Continued)**

The state's contribution per full-time employee ranged from \$470 to \$920 per month for the year ended August 31, 2013 (\$438 to \$857 per month for 2012) and totaled \$2,493,897 for 2013 (\$2,365,710 for the year ended 2012). The cost of providing those benefits for 451 retirees in the year ended 2013 was \$2,763,917 (retiree benefits for 433 retirees cost \$2,472,772 in 2012). For 561 active employees, the cost of providing benefits was \$3,893,350 for the year ended 2013 (active employee benefits for 533 employees cost \$3,701,634 for the year ended 2012).

**Note 16 – On-behalf Payments**

For the fiscal years ended August 31, 2013 and 2012, the College recorded State on-behalf contributions for the Teacher Retirement System of \$1,238,271 and \$1,111,703, respectively, contributions for the Optional Retirement Programs of \$779,909 and \$827,140, respectively, and contributions for health insurance of \$2,493,897 and \$2,365,710, respectively. The State's total on-behalf contributions for the fiscal years ended August 31, 2013 and 2012 of \$3,533,408 and \$3,360,987, respectively, were recorded as revenues and expenses in the accompanying basic financial statements.

**Note 17 - Ad Valorem Tax**

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

	<b>2013</b>	<b>2012</b>
Assessed Valuation of the College District	\$22,433,939,743	\$21,081,166,408
Less: Exemptions	4,557,651,749	3,605,685,449
<b>Net Assessed Valuation of the College District</b>	<b>\$17,876,287,994</b>	<b>\$17,475,480,959</b>

	<b>2013</b>			<b>2012</b>		
	<b>Operations</b>	<b>Debt Service</b>	<b>Total</b>	<b>Operations</b>	<b>Debt Service</b>	<b>Total</b>
for authorized	\$0.5000	\$0.5000	\$1.0000	\$0.5000	\$0.5000	\$1.0000
for assessed	\$0.2094	\$0.0486	\$0.2580	\$0.2062	\$0.0518	\$0.2580

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 17 - Ad Valorem Tax (Continued)**

Taxes levied, for the year ended August 31, 2013 and 2012, amounted to \$45,658,236 and \$44,168,278, 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, 2013:

<b>Taxes Collected</b>	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
Current Taxes Collected	\$ 36,135,166	\$ 8,389,501	\$ 44,524,667
Delinquent Taxes Collected	792,473	201,894	994,367
Penalties and Interest Collected	365,398	88,171	453,569
<b>Total Collections</b>	<b>\$ 37,293,037</b>	<b>\$ 8,679,566</b>	<b>\$ 45,972,603</b>

Fiscal Year Ended August 31, 2012:

<b>Taxes Collected</b>	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
Current Taxes Collected	\$ 34,226,598	\$ 8,604,722	\$ 42,831,320
Delinquent Taxes Collected	911,962	229,271	1,141,233
Penalties and Interest Collected	407,215	103,472	510,687
<b>Total Collections</b>	<b>\$ 35,545,775</b>	<b>\$ 8,937,465</b>	<b>\$ 44,483,240</b>

Tax collections for the years ended August 31, 2013 and 2012 were respectively 97.7% and 97.7% 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.

**Note 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, 2013 and 2012.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 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. Accordingly, the Foundation financial statements are included in the College's annual report as a discrete component unit (see table of contents).

**Significant Accounting Policies**

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or passage of time.

Unrestricted Undesignated Net Assets - Net assets not subject to donor-imposed restrictions.

Unrestricted Designated Net Assets - Net assets not subject to donor-imposed restrictions but subject to Foundation Board imposed stipulations.

Revenues are reported as increases in unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

Expenses are reported as decreases in unrestricted undesignated or unrestricted designated net assets as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted undesignated or unrestricted designated net assets unless their use is restricted by explicit donor stipulation or by law.

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 19 - Component Unit (Continued)**

**Fair Value Measurement**

The Foundation's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at June 30, 2013 and 2012 are as follows:

	Fair Value	Fair Value Measurement Using:		
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>June 30, 2013</b>				
Exchange Traded Funds	\$ 812,348	\$ 812,348	\$ -	\$ -
Registered Investment Company				
Funds - Mutual Funds	10,950,181	10,950,181	-	-
Certificates of Deposit	1,378,137	1,378,137	-	-
Land	121,167	-	-	121,167
Total Investments	13,261,833	13,140,666	-	121,167
Beneficial Interest in Irrevocable Charitable Trust	448,388	-	-	448,388
<b>Total</b>	<b>\$ 13,710,221</b>	<b>\$ 13,140,666</b>	<b>\$ -</b>	<b>\$ 569,555</b>
<b>June 30, 2012</b>				
Exchange Traded Funds	\$ 3,444,099	\$ 3,444,099	\$ -	\$ -
Registered Investment Company				
Funds - Mutual Funds	5,764,527	5,764,527	-	-
Alternative Investments	23,612	-	15,241	8,371
Certificates of Deposit	1,603,025	1,603,025	-	-
Land	54,528	-	-	54,528
<b>Total</b>	<b>\$ 10,889,791</b>	<b>\$ 10,811,651</b>	<b>\$ 15,241</b>	<b>\$ 62,899</b>

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 19 - Component Unit (Continued)**

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of exchange traded funds holding common stock is based on quoted net asset values of the shares held by the Foundation. The fair value of mutual funds is based on quoted net asset values of the shares held by the Foundation at the end of the year.

Level 2 Fair Value Measurement

The fair value for a portion of the alternative investments, which are funds of other funds, are derived principally from or corroborated by observable market data by correlation or other means. This includes quoted prices for similar investments, fair value of investments for which the underlying Fund has the ability to fully redeem tranches at net asset value as of the measurement date or within the near term and short-term investments valued at amortized costs.

Level 3 Fair Value Measurement

A portion of the alternative investments is based on significant unobservable inputs. This includes the underlying Fund's own assumptions in determining the fair value of investments and the fair value of investments which the Fund does not have the ability to fully redeem tranches at net asset value as of the measurement date or within near term.

The fair value of the beneficial interest in the irrevocable charitable trust that holds a structured settlement with future stream of cash flow is based on unobservable inputs. There is currently no market in which beneficial interests in charitable trusts trade, so no observable exit price will exist for a beneficial interest. The land not actively traded is based on values established by the tax appraisal district. The following table provides further details of the Level 3 fair value measurements.

FASB ASU 820 also requires disclosures about transfers into and out of Level 1 and 2 investments and separate disclosures about purchases, sales issuance and settlements in the reconciliation for fair value measurements using significant unobservable inputs (Level 3).

**DEL MAR COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Note 19 - Component Unit (Continued)**

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at June 30, 2013:

	<b>Beneficial Interest In Irrevocable Trust</b>	<b>Land and Improvements</b>	<b>Alternative Investments</b>	<b>Total</b>
Beginning Balance, July 1, 2011	\$ -	\$ 54,234	\$ 613,434	\$ 667,668
Total Unrealized Gain (Loss)				
Included in Changes in Net Assets	-	294	(127,937)	(127,643)
Transfers Out of Level 3	-	-	(477,126)	(477,126)
Ending Balance, June 30, 2012	-	54,528	8,371	62,899
Total Unrealized Gain (Loss)				
Included in Changes in Net Assets	-	(8,361)	-	(8,361)
Donated Property	448,388	75,000	-	523,388
Sales	-	-	(8,371)	(8,371)
<b>Ending Balance, June 30, 2013</b>	<b>\$ 448,388</b>	<b>\$ 121,167</b>	<b>\$ -</b>	<b>\$ 569,555</b>

**Note 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 years 2013 and 2012, 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.

**Note 21 - Workers' Compensation Aggregate Deductible**

During the year ended August 31, 2013, the College met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The College participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims. The Fund and its members are protected against higher

**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 21 – Workers’ Compensation Aggregate Deductible (Continued)**

than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2012, the Fund carries a discounted reserve of \$68,883,628 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2013, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2012, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**Note 22 - Retirement Incentive Plans**

The College elected, with the approval of the Board of Regents, to offer two retirement incentive plans to eligible employees. All eligible employees who elected the 2011 retirement incentive plan received one times their annual salary, with 30% disbursed on September 30, 2011, 35% and 70% on January 31, 2012 for exempt and non-exempt employees, respectively, and 35% on January 31, 2013 for exempt employees. At August 31, 2013, no liability remained under the 2011 retirement incentive plan. At August 31, 2012 the accrued liability for the 2011 retirement incentive plan was \$500,970.

All eligible employees who elected the 2012 retirement incentive plan will receive 80% of one times their annual salary, with 30% to be disbursed on September 28, 2012, 35% and 70% on January 31, 2013 for exempt and non-exempt employees, respectively, and 35% on January 31, 2014 for exempt employees. At August 31, 2013 and 2012, the accrued liability for the 2013 retirement incentive plan was \$549,996 and \$1,838,234, respectively.

**Note 23 – Commitments and Contingencies**

Facilities

The College completed construction on the \$11.8 million Fine Arts/Drama project in August 2012, which was the first part of the \$25.5 million Revenue Bond project approved in 2008. The Music project is the second phase of this project and construction commenced in the fall of 2012 and is expected to be completed in Spring 2014. The College initiated a new Facilities Master Plan in 2012, that created a roadmap for meeting the higher education and workforce development needs of the citizens of the College’s Service Area for the next 25 years.



**DEL MAR COLLEGE**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

**Note 23 – Commitments and Contingencies (Continued)**

In October of 2013, the College finalized the purchase of approximately 95 acres located on the south side of the city of Corpus Christi. The purchase gives the College the opportunity to expand into the area where the largest growth of the City is happening. Total cost of the purchase was \$6.65 million.

Bonds

On October 2, 2013, the College issued “Del Mar College District Limited Tax Refunding Bonds, Series 2013”, amounting to \$9,010,000. Proceeds from the sale of the Bonds were used to refund certain outstanding limited tax obligations of the District for debt service savings and to pay the cost of issuing the Bonds.

**Del Mar College**  
**Schedule of Operating Revenues**  
**Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>Tuition:</b>						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 8,221,398	\$ -	\$ 8,221,398	\$ -	\$ 8,221,398	\$ 8,935,212
Out-of-District Resident Tuition	1,714,913	-	1,714,913	-	1,714,913	1,643,572
Non-Resident Tuition	554,078	-	554,078	-	554,078	629,362
TPEG - Credit (Set Aside) *	656,614	-	656,614	-	656,614	645,693
State-Funded Continuing Education	322,566	-	322,566	-	322,566	342,666
TPEG - Non-Credit (Set Aside) *	51,109	-	51,109	-	51,109	43,388
Non-State Funded Educational Programs	591,824	-	591,824	-	591,824	836,104
<b>Total Tuition</b>	<b>12,112,502</b>	<b>-</b>	<b>12,112,502</b>	<b>-</b>	<b>12,112,502</b>	<b>13,075,997</b>
<b>Fees:</b>						
Building Use Fee	2,567,686	-	2,567,686	-	2,567,686	2,776,995
General Fee	6,700,886	-	6,700,886	-	6,700,886	7,258,689
Student Service Fee	-	-	-	195,566	195,566	211,875
Out-of-District Fee	1,757,723	-	1,757,723	-	1,757,723	1,914,204
Class Repeat Fee	273,300	-	273,300	-	273,300	265,433
Dual Credit Fee	505,374	-	505,374	-	505,374	405,905
Non-Instructional Contract Training Fees	204,512	-	204,512	-	204,512	220,743
Laboratory Fees	464,587	-	464,587	-	464,587	528,089
<b>Total Fees</b>	<b>12,474,068</b>	<b>-</b>	<b>12,474,068</b>	<b>195,566</b>	<b>12,669,634</b>	<b>13,581,933</b>
<b>Scholarship Allowances and Discounts:</b>						
Bad Debt Allowance	(157,961)	-	(157,961)	-	(157,961)	(403,736)
Remissions and Exemptions - State	(2,573,066)	-	(2,573,066)	-	(2,573,066)	(2,359,548)
Remissions and Exemptions - Local	(1,157,623)	-	(1,157,623)	-	(1,157,623)	(1,358,410)
Title IV Federal Grants	(9,767,445)	-	(9,767,445)	-	(9,767,445)	(6,133,904)
Other Federal Grants	(1,140,068)	-	(1,140,068)	-	(1,140,068)	(1,185,540)
TPEG Awards	(206,407)	-	(206,407)	-	(206,407)	(193,740)
Other State Grants	(98,405)	-	(98,405)	-	(98,405)	(148,140)
<b>Total Scholarship Allowances</b>	<b>(15,100,975)</b>	<b>-</b>	<b>(15,100,975)</b>	<b>-</b>	<b>(15,100,975)</b>	<b>(11,783,018)</b>
<b>Total Net Tuition and Fees</b>	<b>9,485,595</b>	<b>-</b>	<b>9,485,595</b>	<b>195,566</b>	<b>9,681,161</b>	<b>14,874,912</b>
<b>Additional operating revenues:</b>						
Federal Grants and Contracts	-	3,465,361	3,465,361	-	3,465,361	3,657,769
State Grants and Contracts	-	1,613,439	1,613,439	-	1,613,439	1,480,295
Local Grants and Contracts	-	837,213	837,213	-	837,213	1,779,174
General Operating Revenues	1,172,798	-	1,172,798	-	1,172,798	1,233,891
<b>Total Additional     Operating Revenues</b>	<b>1,172,798</b>	<b>5,916,013</b>	<b>7,088,811</b>	<b>-</b>	<b>7,088,811</b>	<b>8,151,129</b>
<b>Auxiliary Enterprises:</b>						
Bookstore	-	-	-	-	-	81,366
Food Service	-	-	-	682,041	682,041	703,085
Vending	-	-	-	88,027	88,027	101,060
Rents	-	-	-	127,370	127,370	302,456
Childcare Center	-	-	-	280,984	280,984	275,116
Other	-	-	-	195,525	195,525	143,556
<b>Total Net Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,373,947</b>	<b>1,373,947</b>	<b>1,606,639</b>
<b>Total Operating Revenues</b>	<b>\$ 10,658,393</b>	<b>\$ 5,916,013</b>	<b>\$ 16,574,406</b>	<b>\$ 1,569,513</b>	<b>\$ 18,143,919</b>	<b>\$ 24,632,680</b>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$707,723 and \$689,081 for years August 31, 2013 and 2012, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

**Del Mar College**  
**Schedule of Operating Expenses by Object**  
**Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)**

	Operating Expenses				2013 Total	2012 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 24,101,498	\$ -	\$ 5,765,663	\$ 1,897,723	\$ 31,764,884	\$ 31,982,456
Public Service	16,220	-	1,788	2,730	20,738	24,256
Academic Support	3,091,260	-	842,126	759,268	4,692,654	4,493,351
Student Services	2,887,223	-	928,214	942,498	4,757,935	4,384,208
Institutional Support	6,399,990	-	1,821,980	6,380,955	14,602,925	14,645,158
Operation and Maintenance of Plant	839,735	-	282,220	6,377,649	7,499,604	7,638,968
<b>Total Unrestricted Educational Activities</b>	<b>37,335,926</b>	<b>-</b>	<b>9,641,991</b>	<b>16,360,823</b>	<b>63,338,740</b>	<b>63,168,397</b>
<b>Restricted - Educational Activities</b>						
Instruction	-	2,000,862	-	-	2,000,862	2,492,622
Public Service	-	621	-	-	621	719
Academic Support	-	292,244	-	-	292,244	336,508
Student Services	2,813,855	508,472	536,995	3,822,032	7,681,354	6,521,636
Institutional Support	-	632,283	-	-	632,283	794,920
Operation and Maintenance of Plant	-	97,939	-	-	97,939	109,405
Scholarships and Fellowships	19,063	988	2,848	6,834,073	6,856,972	5,755,165
<b>Total Restricted Educational Activities</b>	<b>2,832,918</b>	<b>3,533,409</b>	<b>539,843</b>	<b>10,656,105</b>	<b>17,562,275</b>	<b>16,010,975</b>
<b>Total Educational Activities</b>	<b>40,168,844</b>	<b>3,533,409</b>	<b>10,181,834</b>	<b>27,016,928</b>	<b>80,901,015</b>	<b>79,179,372</b>
Auxiliary Enterprises	639,637	-	-	764,986	1,404,623	1,521,295
Depreciation Expense - Buildings and other real estate improvements	-	-	-	3,404,559	3,404,559	3,237,977
Depreciation Expense - Equipment and furniture	-	-	-	2,202,284	2,202,284	2,356,798
<b>Total Operating Expenses</b>	<b>\$ 40,808,481</b>	<b>\$ 3,533,409</b>	<b>\$ 10,181,834</b>	<b>\$ 33,388,757</b>	<b>\$ 87,912,481</b>	<b>\$ 86,295,442</b>
					(Exhibit 2)	(Exhibit 2)

**Del Mar College**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>NON-OPERATING REVENUES:</b>					
<b>State Appropriations:</b>					
Education and General State Support	\$ 16,001,819	\$ -	\$ -	\$ 16,001,819	\$ 16,640,354
State Group Insurance	-	2,493,897	-	2,493,897	2,365,710
State Retirement Matching	-	1,039,511	-	1,039,511	1,922,665
<b>Total State Appropriations</b>	<b>16,001,819</b>	<b>3,533,408</b>	<b>-</b>	<b>19,535,227</b>	<b>20,928,729</b>
Maintenance Ad Valorem Taxes	37,311,571	-	-	37,311,571	35,581,594
Debt Service Ad Valorem Taxes	-	8,678,589	-	8,678,589	8,939,543
Federal Revenue, Non Operating	-	18,730,358	-	18,730,358	13,113,471
Gifts	-	-	-	-	60,517
Investment Income	216,246	-	-	216,246	347,282
Other Non-Operating Revenue	173,864	-	-	173,864	155,367
<b>Total Non-Operating Revenues</b>	<b>53,703,500</b>	<b>30,942,355</b>	<b>-</b>	<b>84,645,855</b>	<b>79,126,503</b>
<b>NON-OPERATING EXPENSES:</b>					
Interest on Capital Related Debt	4,597,478	-	-	4,597,478	4,570,120
Loss on Disposal of Capital Assets	31,345	-	-	31,345	100,187
Other Non-Operating Expense	1,600	-	-	1,600	1,450
<b>Total Non-Operating Expenses</b>	<b>4,630,423</b>	<b>-</b>	<b>-</b>	<b>4,630,423</b>	<b>4,671,757</b>
<b>Net Non-Operating Revenues</b>	<b>\$ 49,073,077</b>	<b>\$ 30,942,355</b>	<b>\$ -</b>	<b>\$ 80,015,432</b>	<b>\$ 74,454,746</b>
				(Exhibit 2)	(Exhibit 2)

**Del Mar College**  
**Schedule Of Net Position by Source and Availability**  
**Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)**

	Detail by Source				Available for Current Operations	
	Unrestricted	Restricted Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:						
Unrestricted	\$ 20,021,512	\$ -	\$ -	\$ 20,021,512	\$ 20,021,512	\$ -
Restricted	-	-	-	-	-	-
Auxiliary enterprises	(21,512)		-	(21,512)	(21,512)	-
Loan	-	322,127	-	322,127	-	322,127
Endowment:						
Quasi:						
Unrestricted	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Endowment						
True	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-
Annuities	-	-	-	-	-	-
Plant:						
Unexpended	11,668,108	1,448,880	-	13,116,988	-	13,116,988
Renewals	-	-	-	-	-	-
Debt Service	-	11,215,786	-	11,215,786	-	11,215,786
Investment in Plant	-	-	63,705,698	63,705,698	-	63,705,698
<b>Total Net Position, August 31, 2013</b>	<b>\$ 31,668,108</b>	<b>\$ 12,986,793</b>	<b>\$ 63,705,698</b>	<b>\$ 108,360,599</b> (Exhibit 1)	<b>\$ 20,000,000</b>	<b>\$ 88,360,599</b>
<b>Total Net Position, August 31, 2012</b>	<b>24,779,198</b>	<b>11,932,909</b>	<b>60,565,482</b>	<b>97,277,589</b> (Exhibit 1)	<b>20,000,000</b>	<b>77,277,589</b>
<b>Net Increase in Net Position</b>	<b>\$ 6,888,910</b>	<b>\$ 1,053,884</b>	<b>\$ 3,140,216</b>	<b>\$ 11,083,010</b> (Exhibit 2)	<b>\$ -</b>	<b>\$ 11,083,010</b>



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## Statistical Information

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

CONTENTS	PAGE
<b>Financial Trends</b> (Schedules 1-3, 19) <i>These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.</i>	89-93, 110-111
<b>Revenue Capacity</b> (Schedules 4-8, 20-21) <i>These schedules contain information to help the reader assess the College's most significant local revenue sources, including the property tax.</i>	94-99, 112-114
<b>Debt Capacity</b> (Schedules 9-11, 22) <i>These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future</i>	100-102, 115
<b>Demographic and Economic Information</b> (Schedules 12-13) <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.</i>	103-104
<b>Operating and Other Information</b> (Schedules 14-18) <i>These schedules contain service, infrastructure and other data to help the reader understand how the information in the College's financial report relates to the services the government provides and the activities it performs.</i>	105-109

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



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**Del Mar College**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2004 to 2013**  
(unaudited)

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Invested in capital assets, net of related debt	\$ 63,706	\$ 60,566	\$ 56,854	\$ 55,454	\$ 49,010	\$ 45,374	\$ 43,079	\$ 41,662	\$ 41,134	\$ 36,643
Restricted - expendable	12,987	11,933	10,330	5,721	5,340	5,455	5,135	2,922	2,210	3,828
Unrestricted	31,668	24,779	17,242	15,655	16,382	14,655	18,531	15,691	13,471	11,912
<b>Total primary government net position</b>	<b>\$ 108,361</b>	<b>\$ 97,278</b>	<b>\$ 84,426</b>	<b>\$ 76,830</b>	<b>\$ 70,732</b>	<b>\$ 65,484</b>	<b>\$ 66,745</b>	<b>\$ 60,275</b>	<b>\$ 56,815</b>	<b>\$ 52,383</b>

**Source:** College Annual Financial Reports.

**Del Mar College**  
**Statistical Supplement 2**  
**Revenues by Source**  
**Fiscal Years 2004 to 2013**  
(unaudited)

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and Fees (Net of Discounts)	\$ 9,681	\$ 14,875	\$ 9,850	\$ 9,561	\$ 11,980	\$ 14,031	\$ 13,905	\$ 12,385	\$ 10,396	\$ 9,751
Governmental Grants and Contracts										
Federal Grants and Contracts	3,465	3,658	4,050	4,608	4,148	3,359	18,457	19,179	19,683	20,450
State Grants and Contracts	1,613	1,480	1,997	1,825	2,358	1,689	1,140	1,099	911	1,588
Local Grants and Contracts	838	1,779	535	1,863	957	698	1,015	772	660	605
Auxiliary enterprises	1,374	1,607	1,426	1,276	1,471	1,213	1,307	1,172	920	806
General Operating Revenues	1,173	1,234	1,089	1,636	1,260	1,464	1,490	1,122	1,459	1,252
<b>Total Operating Revenues</b>	<b>18,144</b>	<b>24,633</b>	<b>18,947</b>	<b>20,769</b>	<b>22,174</b>	<b>22,454</b>	<b>37,314</b>	<b>35,729</b>	<b>34,029</b>	<b>34,452</b>
State Appropriations	19,535	20,929	23,890	24,247	25,145	25,069	24,716	24,564	24,238	24,181
Maintenance Ad Valorem Taxes	37,312	35,581	33,966	35,059	32,550	29,428	26,600	24,567	23,271	21,996
Debt Service Ad Valorem Taxes	8,679	8,940	9,801	9,031	8,736	8,643	8,935	4,790	4,818	4,715
Federal Revenue, Non Operating	18,730	13,113	21,317	20,623	20,844	15,760	-	-	-	-
Gifts	-	61	40	55	216	104	140	96	-	-
Investment Income	216	347	491	464	802	1,985	3,634	3,498	2,065	811
Other Non-Operating Revenues	174	155	139	5	309	126	91	98	34	40
<b>Total Non-Operating Revenues</b>	<b>84,646</b>	<b>79,126</b>	<b>89,644</b>	<b>89,484</b>	<b>88,602</b>	<b>81,115</b>	<b>64,116</b>	<b>57,613</b>	<b>54,426</b>	<b>51,743</b>
<b>Total Revenues</b>	<b>\$ 102,790</b>	<b>\$ 103,759</b>	<b>\$ 108,591</b>	<b>\$ 110,253</b>	<b>\$ 110,776</b>	<b>\$ 103,569</b>	<b>\$ 101,430</b>	<b>\$ 93,342</b>	<b>\$ 88,455</b>	<b>\$ 86,195</b>

Source: College Annual Financial Reports.

**Del Mar College**  
**Statistical Supplement 2 (Continued)**  
**Revenues by Source**  
**Fiscal Years 2004 to 2013**  
(unaudited)

For the Year Ended August 31,  
(amounts expressed in percentage of total)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	9.42%	14.34%	9.07%	8.67%	10.81%	13.55%	13.71%	13.27%	11.75%	11.31%
Governmental grants and contracts										
Federal grants and contracts	3.37%	3.53%	3.73%	4.18%	3.74%	3.24%	18.20%	20.55%	22.25%	23.73%
State grants and contracts	1.57%	1.43%	1.84%	1.66%	2.13%	1.63%	1.12%	1.18%	1.03%	1.84%
Local grants and contracts	0.82%	1.71%	0.49%	1.69%	0.86%	0.67%	1.00%	0.83%	0.75%	0.70%
Auxiliary enterprises	1.34%	1.55%	1.31%	1.16%	1.33%	1.17%	1.29%	1.26%	1.04%	0.94%
General Operating Revenues	1.14%	1.19%	1.00%	1.48%	1.14%	1.41%	1.47%	1.20%	1.65%	1.45%
<b>Total Operating Revenues</b>	<b>17.65%</b>	<b>23.74%</b>	<b>17.45%</b>	<b>18.84%</b>	<b>20.02%</b>	<b>21.68%</b>	<b>36.79%</b>	<b>38.28%</b>	<b>38.47%</b>	<b>39.97%</b>
State Appropriations	19.00%	20.17%	22.00%	21.99%	22.70%	24.21%	24.37%	26.32%	27.40%	28.05%
Maintenance Ad Valorem Taxes	36.30%	34.29%	31.28%	31.80%	29.38%	28.41%	26.22%	26.32%	26.31%	25.52%
Debt Service Ad Valorem Taxes	8.44%	8.62%	9.03%	8.19%	7.89%	8.35%	8.81%	5.13%	5.45%	5.47%
Federal Revenue, Non Operating	18.22%	12.64%	19.63%	18.71%	18.82%	15.22%	0.00%	0.00%	0.00%	0.00%
Gifts	0.00%	0.06%	0.04%	0.05%	0.19%	0.10%	0.14%	0.10%	0.00%	0.00%
Investment Income	0.21%	0.33%	0.45%	0.42%	0.72%	1.92%	3.58%	3.75%	2.33%	0.94%
Other Non-Operating Revenues	0.17%	0.15%	0.13%	0.00%	0.28%	0.12%	0.09%	0.10%	0.04%	0.05%
<b>Total Non-Operating Revenues</b>	<b>82.35%</b>	<b>76.26%</b>	<b>82.55%</b>	<b>81.16%</b>	<b>79.98%</b>	<b>78.32%</b>	<b>63.21%</b>	<b>61.72%</b>	<b>61.53%</b>	<b>60.03%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: College Annual Financial Reports.

**Del Mar College**  
**Statistical Supplement 3**  
**Program Expenses by Function**  
**Fiscal Years 2004 to 2013**  
(unaudited)

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Instruction	\$ 33,766	\$ 34,475	\$ 35,632	\$ 35,082	\$ 33,919	\$ 35,832	\$ 34,004	\$ 31,712	\$ 30,269	\$ 27,640
Public service	21	25	97	37	30	35	36	20	62	101
Academic support	4,985	4,830	5,852	5,899	5,964	6,083	5,713	5,621	5,753	5,723
Student services	12,439	10,906	11,251	10,814	10,647	12,379	10,746	11,354	9,944	10,069
Institutional support	15,235	15,440	15,340	14,511	14,153	14,497	12,356	10,653	10,998	9,448
Operation and maintenance of plant	7,598	7,748	9,486	11,131	11,620	11,281	9,766	9,096	7,833	6,968
Scholarships and fellowships	6,857	5,755	10,616	13,505	15,559	10,970	10,136	10,560	11,093	12,603
Auxiliary enterprises	1,405	1,521	1,304	1,483	1,726	1,737	1,608	1,505	1,322	801
Depreciation	5,607	5,595	5,669	5,774	5,686	5,205	4,318	3,871	3,444	3,570
<b>Total Operating Expenses</b>	<b>87,913</b>	<b>86,295</b>	<b>95,247</b>	<b>98,236</b>	<b>99,304</b>	<b>98,019</b>	<b>88,683</b>	<b>84,392</b>	<b>80,718</b>	<b>76,923</b>
Interest on capital related debt	4,597	4,570	5,876	5,950	6,140	5,735	5,313	4,610	3,030	3,481
Other Non-Operating Expenses	33	102	34	19	87	1,077	1,023	1,185	668	244
<b>Total Non-Operating Expenses</b>	<b>4,630</b>	<b>4,672</b>	<b>5,910</b>	<b>5,969</b>	<b>6,227</b>	<b>6,812</b>	<b>6,336</b>	<b>5,795</b>	<b>3,698</b>	<b>3,725</b>
<b>Total Expenses</b>	<b>\$ 92,543</b>	<b>\$ 90,967</b>	<b>\$ 101,157</b>	<b>\$ 104,205</b>	<b>\$ 105,531</b>	<b>\$ 104,831</b>	<b>\$ 95,019</b>	<b>\$ 90,187</b>	<b>\$ 84,416</b>	<b>\$ 80,648</b>

**Source:** College Annual Financial Reports.

**Del Mar College**  
**Statistical Supplement 3 (Continued)**  
**Program Expenses by Function**  
**Fiscal Years 2004 to 2013**  
(unaudited)

For the Year Ended August 31,  
(amounts expressed in percentage of total)

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Instruction	36.49%	37.90%	35.22%	33.67%	32.14%	34.18%	35.79%	35.16%	35.86%	34.27%
Public service	0.02%	0.03%	0.10%	0.04%	0.03%	0.03%	0.04%	0.02%	0.07%	0.13%
Academic support	5.39%	5.31%	5.79%	5.66%	5.65%	5.80%	6.01%	6.23%	6.82%	7.10%
Student services	13.44%	11.99%	11.12%	10.38%	10.09%	11.81%	11.31%	12.59%	11.78%	12.49%
Institutional support	16.46%	16.97%	15.16%	13.93%	13.41%	13.83%	13.00%	11.81%	13.03%	11.72%
Operation and maintenance of plant	8.21%	8.52%	9.38%	10.68%	11.01%	10.76%	10.28%	10.09%	9.28%	8.64%
Scholarships and fellowships	7.41%	6.33%	10.49%	12.96%	14.74%	10.46%	10.67%	11.71%	13.14%	15.63%
Auxiliary enterprises	1.52%	1.67%	1.29%	1.42%	1.64%	1.66%	1.69%	1.67%	1.57%	0.99%
Depreciation	6.06%	6.15%	5.60%	5.54%	5.39%	4.97%	4.54%	4.29%	4.08%	4.43%
<b>Total Operating Expenses</b>	<b>95.00%</b>	<b>94.86%</b>	<b>94.16%</b>	<b>94.27%</b>	<b>94.10%</b>	<b>93.50%</b>	<b>93.33%</b>	<b>93.57%</b>	<b>95.62%</b>	<b>95.38%</b>
Interest on capital related debt	4.97%	5.02%	5.81%	5.71%	5.82%	5.47%	5.59%	5.11%	3.59%	4.32%
Loss on disposal of fixed assets	0.04%	0.11%	0.03%	0.02%	0.08%	1.03%	1.08%	1.31%	0.79%	0.30%
<b>Total Non-Operating Expenses</b>	<b>5.00%</b>	<b>5.14%</b>	<b>5.84%</b>	<b>5.73%</b>	<b>5.90%</b>	<b>6.50%</b>	<b>6.67%</b>	<b>6.43%</b>	<b>4.38%</b>	<b>4.62%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Source:** College Annual Financial Reports.

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

<b>Resident</b>
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
2012	\$ 0	\$ 52	\$ 102	\$ 34	\$ 75	\$ 1,107	\$ 1,707	1.10%	0.71%
2011	0	51	101	34	75	1,095	1,695	10.72%	6.67%
2010	0	43	93	34	65	989	1,589	13.29%	7.88%
2009	0	38	88	30	57	873	1,473	1.39%	-28.53%
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		

<b>Non - Resident</b>
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/ (Decrease) from Prior Year Out of State	Increase/ (Decrease) from Prior Year International
2012	\$ 0	\$ 139	\$ 139	\$ 34	\$ 75	\$ 2,151	\$ 2,151	0.56%	0.56%
2011	0	138	138	34	75	2,139	2,139	5.21%	5.21%
2010	0	130	130	34	65	2,033	2,033	6.05%	6.05%
2009	0	125	125	30	57	1,917	1,917	-23.47%	-23.47%
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		

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

**Source:** College Annual Financial Reports.



**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)					
2012-13	\$	22,433,940	\$	4,557,652	\$	17,876,288	79.68%	\$	0.209394	\$	0.048609	\$	0.258003
2011-12	\$	21,081,166	\$	3,605,685	\$	17,475,481	82.90%	\$	0.206200	\$	0.051800	\$	0.258000
2010-11		20,302,854		3,078,992		17,223,862	84.83%		0.200200		0.057800		0.258000
2009-10		19,544,899		1,696,049		17,848,850	91.32%		0.200200		0.051200		0.251400
2008-09		18,358,577		1,381,489		16,977,088	92.47%		0.190580		0.051200		0.241780
2007-08		15,870,047		1,771,553		14,098,494	88.84%		0.187090		0.055000		0.242090
2006-07		14,759,217		1,893,684		12,865,533	87.17%		0.190910		0.064810		0.255720
2005-06		13,165,297		1,204,073		11,961,224	90.85%		0.190910		0.037420		0.228330
2004-05		12,396,576		1,133,234		11,263,342	90.86%		0.193400		0.040370		0.233770
2003-04		11,959,427		1,383,498		10,575,929	88.43%		0.193400		0.042260		0.235660

**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)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (b)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2012-13	\$ 19,535	7,648	\$ 2,554	2,969	1,692	4,661	\$ 4.19
2011-12	20,929	8,295	2,523	3,287	1,801	5,088	4.11
2010-11	23,890	8,468	2,821	3,430	2,021	5,451	4.38
2009-10	24,247	8,398	2,887	3,403	2,103	5,506	4.40
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

**Notes:**

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

(a) Source: Coordinating Board Management Report 001

(b) Source: Coordinating Board Management Report 004

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

**Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Flint Hills Resources West LP	Petrochemical	\$ 911,024	\$ 791,276	\$ 826,955	\$ 826,955	\$ 859,954	\$ 847,381	\$ 752,296	\$ 745,378	\$ 675,463	\$ 667,475
Valero Refining Texas LP	Petrochemical	680,667	674,643	810,563	810,563	854,928	846,719	532,007	296,757	285,339	273,441
Citgo Refining/Chemical Co LP	Petrochemical	527,999	521,728	460,855	460,855	496,997	524,746	468,846	302,684	308,235	306,505
Equistar Chemicals LP	Petrochemical	235,788	217,385	157,388	216,196	208,942	341,781	348,379	305,236	280,079	273,974
Flint Hills Resources East LP	Petrochemical	195,559	163,746								
AEP Texas Central Company	Utility	143,951	115,054	162,087	133,276	143,160	138,095	137,460	198,957	210,153	212,173
Corpus Christi Retail Venture LP	Retail	101,682	86,000	75,510	75,510	82,864	-	-	-	-	-
Barney M Davis LP	Utility	-	84,296	-	-	-	-	-	-	-	-
Flint Hill Resources	Petrochemical	105,696	-	-	-	-	-	-	-	-	-
HE Butt Grocery Company	Grocery	80,885	78,986	74,869	72,761	70,958	58,878	72,942	-	65,291	65,056
Corpus Christi Cogeneration LP	Utility	-	67,453	-	74,039	78,881	78,881	88,296	130,018	107,502	147,581
Hoechst Cel - Plastics Division	Manufacturing	-	-	164,980	-	-	-	-	-	-	-
EOG Resources	Petrochemical	-	-	110,501	110,501	-	-	-	-	-	-
Apache Corporation	Petrochemical	-	-	76,205	-	-	-	-	-	-	-
Markwest Energy Partners, LP	Utility	-	-	-	67,141	71,013	70,753	71,164	-	-	-
Southwestern Bell Telephone	Utility	-	-	-	-	51,668	64,972	63,699	65,514	67,568	76,791
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
Columbia Bay Area Realty LTD	Real Estate	-	-	-	-	-	-	-	-	-	46,253
<b>Totals</b>		<b>\$ 2,983,251</b>	<b>\$ 2,800,567</b>	<b>\$ 2,919,913</b>	<b>\$ 2,847,797</b>	<b>\$ 2,919,365</b>	<b>\$ 3,035,931</b>	<b>\$ 2,620,444</b>	<b>\$ 2,189,910</b>	<b>\$ 2,102,770</b>	<b>\$ 2,114,922</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 17,876,288</b>	<b>\$ 17,475,481</b>	<b>\$ 17,223,862</b>	<b>\$ 17,848,850</b>	<b>\$ 16,977,088</b>	<b>\$ 14,098,514</b>	<b>\$ 12,865,533</b>	<b>\$ 11,961,224</b>	<b>\$ 11,263,342</b>	<b>\$ 10,575,929</b>

Source: Local County Appraisal District

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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Flint Hills Resources LP	Petrochemical	5.10%	4.53%	4.80%	4.63%	5.07%	6.01%	5.85%	6.23%	6.00%	6.31%
Valero Refining Texas LP	Petrochemical	3.81%	3.86%	4.71%	4.54%	5.04%	6.01%	4.14%	2.48%	2.53%	2.59%
Citgo Refining/Chemical Co LP	Petrochemical	2.95%	2.99%	2.68%	2.58%	2.93%	3.72%	3.64%	2.53%	2.74%	2.90%
Equistar Chemicals LP	Petrochemical	1.32%	1.24%	0.91%	1.21%	1.23%	2.42%	2.71%	2.55%	2.49%	2.59%
Flint Hill Resources	Petrochemical	1.09%	0.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AEP Texas Central Company	Utility	0.81%	0.66%	0.94%	0.75%	0.84%	0.98%	1.07%	1.66%	1.87%	2.01%
Corpus Christi Retail Venture LP	Retail	0.57%	0.49%	0.44%	0.42%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%
Barney M Davis LP	Utility	0.00%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Flint Hill Resources	Petrochemical	0.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HE Butt Grocery Company	Grocery	0.45%	0.45%	0.43%	0.41%	0.42%	0.42%	0.57%	0.00%	0.58%	0.62%
Corpus Christi Cogeneration LP	Utility	0.00%	0.39%	0.00%	0.41%	0.46%	0.56%	0.69%	1.09%	0.95%	1.40%
Hoechst Cel - Plastics Division	Manufacturing	0.00%	0.00%	0.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EOG Resources	Petrochemical	0.00%	0.00%	0.64%	0.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Apache Corporation	Petrochemical	0.00%	0.00%	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Markwest Energy Partners, LP	Utility	0.00%	0.00%	0.00%	0.38%	0.42%	0.50%	0.55%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.00%	0.00%	0.00%	0.30%	0.46%	0.50%	0.55%	0.60%	0.73%
Sabco Operating Company	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.45%	0.00%	0.33%	0.42%	0.00%
Pioneer Drilling Co. Ltd.	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.00%	0.00%	0.00%
La Palmera Mall	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.49%	0.00%
El Paso Javelina Company	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.00%	0.43%
Columbia Bay Area Realty LTD	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
<b>Totals</b>		<b>16.69%</b>	<b>16.03%</b>	<b>16.95%</b>	<b>15.96%</b>	<b>17.20%</b>	<b>21.53%</b>	<b>20.37%</b>	<b>18.31%</b>	<b>18.67%</b>	<b>20.00%</b>

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)

<b>Fiscal Year Ended August 31</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections - Year of Levy (c)</b>	<b>Percentage</b>	<b>Prior Collections of Prior Levies (d)</b>	<b>Current Collections of Prior Levies (e)</b>	<b>Total Collections (c+d+e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
2013	\$ 45,729	\$ (71)	\$ 45,658	\$ 44,579	97.64%	\$ -	\$ 994	\$ 45,573	99.81%
2012	44,477	(309)	44,168	\$ 43,139	97.67%	-	911	44,050	99.73%
2011	43,545	(198)	43,347	42,217	97.39%	-	873	43,090	99.41%
2010	44,196	(243)	43,953	42,590	96.90%	-	868	43,458	98.87%
2009	41,484	(261)	41,223	39,244	95.20%	-	1,363	40,607	98.51%
2008	38,286	(264)	38,022	36,956	97.20%	-	679	37,635	98.98%
2007	35,535	(1)	35,534	34,541	97.21%	-	718	35,259	99.23%
2006	29,223	(32)	29,191	28,205	96.62%	-	773	28,978	99.27%
2005	28,028	(153)	27,875	26,954	96.70%	-	821	27,775	99.64%
2004	26,543	70	26,613	25,654	96.40%	-	713	26,367	99.08%

**Source:** Local Tax Assessor/Collector and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest.

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

Total Collections = C + D + E

**Del Mar College  
Statistical Supplement 9  
Ratios of Outstanding Debt  
Last Ten Fiscal Years**

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Bonded Debt</b>										
General obligation bonds	\$ 75,380	\$ 80,415	\$ 86,120	\$ 90,825	\$ 95,270	\$ 99,440	\$ 103,305	\$ 105,360	\$ 56,160	\$ 58,235
Notes								-	-	-
Less: Funds restricted for debt service	(7,404)	(8,353)	(8,353)	(3,122)	(3,310)	(4,499)	(4,906)	(2,698)	(1,998)	(3,216)
<b>Net general bonded debt</b>	<b>\$ 67,976</b>	<b>\$ 72,062</b>	<b>\$ 77,767</b>	<b>\$ 87,703</b>	<b>\$ 91,960</b>	<b>\$ 94,941</b>	<b>\$ 98,399</b>	<b>\$ 102,662</b>	<b>\$ 54,162</b>	<b>\$ 55,019</b>
<b>Other Debt</b>										
Revenue bonds	\$ 25,335	\$ 27,200	\$ 28,985	\$ 30,715	\$ 32,120	\$ 33,150	\$ 8,355	\$ 9,015	\$ 9,650	\$ 9,825
Notes	-	-	-	-	-	-	155	482	795	1,098
Capital lease obligations	109	225	1,187	2,265	3,428	3,916	1,957	2,433	29	62
<b>Total Outstanding Debt</b>	<b>\$ 93,420</b>	<b>\$ 99,487</b>	<b>\$ 107,939</b>	<b>\$ 120,683</b>	<b>\$ 127,508</b>	<b>\$ 132,007</b>	<b>\$ 108,866</b>	<b>\$ 114,592</b>	<b>\$ 64,636</b>	<b>\$ 66,004</b>
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 199.65	\$ 223.07	\$ 259.22	\$ 292.34	\$ 306.53	\$ 316.47	\$ 328.00	\$ 342.21	\$ 180.54	\$ 183.40
Per FTSE	8,027	8,581	9,965	11,496	11,698	11,316	12,142	12,637	6,713	7,417
As a percentage of Taxable Assessed Value	0.38%	0.41%	0.45%	0.49%	0.54%	0.67%	0.76%	0.86%	0.48%	0.52%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 274.38	\$ 307.97	\$ 359.80	\$ 402.28	\$ 425.03	\$ 440.02	\$ 362.89	\$ 381.97	\$ 215.45	\$ 220.01
Per FTSE	11,032	11,847	14,149	15,352	15,198	16,289	13,401	14,203	8,713	9,416
As a percentage of Taxable Assessed Value	0.52%	0.57%	0.63%	0.68%	0.75%	0.94%	0.85%	0.96%	0.57%	0.62%

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

**Source:** College Annual Financial Reports.

**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)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxable Assessed Value	\$ 17,876,288	\$ 17,475,481	\$ 17,223,862	\$ 17,848,850	\$ 16,977,088	\$ 14,098,494	\$ 12,865,533	\$ 11,961,224	\$ 11,263,342	\$ 10,575,929
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	75,380	80,415	86,120	89,244	84,885	70,492	64,328	59,806	56,317	52,880
Less: Funds Restricted for Repayment of General Obligation Bonds	(4,181)	(5,286)	(5,286)	(2,239)	(3,310)	(4,499)	(4,906)	(2,698)	(1,998)	(3,216)
Total Net General Obligation Debt	71,199	75,129	80,834	87,005	81,575	65,993	59,422	57,108	54,319	49,664
Current Year Debt Service Requirements	8,666	8,978	9,120	9,031	8,899	8,763	8,512	4,528	4,815	6,333
<b>Excess of Statutory Limit for Debt Service over Current Requirements</b>	<b>\$ 62,533</b>	<b>\$ 66,151</b>	<b>\$ 71,714</b>	<b>\$ 77,974</b>	<b>\$ 72,676</b>	<b>\$ 57,230</b>	<b>\$ 50,910</b>	<b>\$ 52,580</b>	<b>\$ 49,504</b>	<b>\$ 43,331</b>
Net Current Requirements as a % of Statutory Limit	5.95%	4.59%	4.45%	7.61%	6.58%	6.05%	5.61%	3.06%	5.00%	5.89%

**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.

**Source:** College Annual Financial Reports.

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

**Revenue Bonds**

<b>Fiscal Year</b> <b>Ended August 31</b>	<b>Pledged Revenues (\$000 omitted)</b>					<b>Debt Service Requirements (\$000 omitted)</b>			
	<b>Tuition</b> <b>Fee</b>	<b>Building Use</b> <b>Fee</b>	<b>Matriculation</b> <b>Fee</b>	<b>Income</b> <b>Revenues</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage</b> <b>Ratio</b>
2013	\$ 3,028	\$ 2,568	\$ 2,568	\$ 141	\$ 8,305	\$ 1,865	\$ 1,191	\$ 3,056	2.72
2012	3,269	2,777	2,777	151	8,974	1,785	1,261	3,046	2.95
2011	2,943	2,909	2,909	171	8,932	1,730	1,320	3,050	2.93
2010	2,620	2,461	2,461	161	7,703	1,405	1,365	2,770	2.78
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

**Source:** College Annual Financial Reports.



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

<b>Calendar Year</b>	<b>District Population (a)</b>	<b>District Personal Income (thousands of dollars) (b)</b>	<b>District Personal Income Per Capita</b>	<b>District Unemployment Rate (c)</b>
2012	347,691	\$ (d)	\$ (d)	6.8%
2011	343,281	13,196,232	38,441	7.9%
2010	340,480	12,201,077	35,835	8.2%
2009	323,046	12,004,999	37,162	7.6%
2008	322,077	11,633,423	36,120	4.3%
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%

**Sources:**

- (a) Population from U.S. Bureau of the Census.
- (b) Personal income from U.S. bureau of Economic Analysis.
- (c) Unemployment rate from U.S. Department of Labor.
- (d) Not yet available.

**Del Mar College**  
**Statistical Supplement 13**  
**Principal Employers**  
(unaudited)

<b>Employer</b>	<b>2012</b>		<b>2003 <sup>1</sup></b>	
	<b>Number of Employees</b>	<b>Percentage of Total Employment <sup>2</sup></b>	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>
Corpus Christi Army Depot	6,500	3.28%	-	-
Corpus Christi ISD	5,178	2.61%	-	-
CHRISTUS Spohn Health Systems	5,144	2.59%	-	-
H.E.B.	5,000	2.52%	-	-
City of Corpus Christi	3,171	1.60%	-	-
Corpus Christi Naval Air Station	2,822	1.42%	-	-
Kiewit Offshore Services	2,200	1.11%	-	-
Bay, Ltd.	2,100	1.06%	-	-
Driscoll Children's Hospital	1,800	0.91%	-	-
Del Mar College	1,542	0.78%	-	-
Corpus Christi Medical Center	1,300	0.66%	-	-
First Data Corporation	1,200	0.60%	-	-
Whataburger	1,115	0.56%	-	-
Susser Holdings Corporation	1,100	0.55%	-	-
Nueces County	1,034	0.52%	-	-
<b>Total</b>	<b>41,206</b>	<b>20.77%</b>	-	-

**Source:**

Corpus Christi Regional Economic Development Corporation.

**Note:**

1. This institution previously did not present this schedule and chose to implement prospectively.
2. Percentage of Total Employment (2012 Corpus Christi Total Employment = 198,360)

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Faculty</b>										
Full-Time	278	286	301	314	287	297	285	293	294	291
Part-Time	287	323	292	304	293	234	296	342	344	333
<b>Total</b>	<b>565</b>	<b>609</b>	<b>593</b>	<b>618</b>	<b>580</b>	<b>531</b>	<b>581</b>	<b>635</b>	<b>638</b>	<b>624</b>
<b>Percent</b>										
Full-Time	49.2%	47.0%	50.8%	50.8%	49.5%	55.9%	49.1%	46.1%	46.1%	46.6%
Part-Time	50.8%	53.0%	49.2%	49.2%	50.5%	44.1%	50.9%	53.9%	53.9%	53.4%
<b>Staff and Administrators</b>										
Full-Time	275	321	358	366	359	359	381	415	412	423
Part-Time	380	158	260	251	176	176	156	151	136	124
<b>Total</b>	<b>655</b>	<b>479</b>	<b>618</b>	<b>617</b>	<b>535</b>	<b>535</b>	<b>537</b>	<b>566</b>	<b>548</b>	<b>547</b>
<b>Percent</b>										
Full-Time	42.0%	67.0%	57.9%	59.3%	67.1%	67.1%	70.9%	73.3%	75.2%	77.3%
Part-Time	58.0%	33.0%	42.1%	40.7%	32.9%	32.9%	29.1%	26.7%	24.8%	22.7%
FTSE per Full-time Faculty	16.93	17.36	17.03	18.30	17.30	19.70	18.80	19.24	18.28	18.97
FTSE per Full-Time Staff Member	27.81	25.84	23.65	22.85	22.56	21.25	20.60	20.22	19.67	19.21
Average Annual Faculty Salary	\$55,919	\$56,203	\$56,047	\$55,608	\$56,529	\$56,394	\$55,773	\$58,863	\$50,825	\$48,847

**Notes:** Year 2013 is not yet available.

**Source:** College Statistical Profiles.

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

<b>Student Classification</b>	<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
00-30 hours	7,293	66.12%	8,182	67.78%	7,207	58.90%	7,113	58.94%	6,893	60.95%
31-60 hours	2,690	24.39%	2,765	22.91%	2,043	16.70%	2,012	16.67%	3,766	33.30%
> 60 hours	1,047	9.49%	1,124	9.31%	2,986	24.40%	2,944	24.39%	651	5.76%
<b>Total</b>	<b>11,030</b>	<b>100.00%</b>	<b>12,071</b>	<b>100.00%</b>	<b>12,236</b>	<b>100.00%</b>	<b>12,069</b>	<b>100.00%</b>	<b>11,310</b>	<b>100.00%</b>

<b>Semester Hour Load</b>	<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
1-3 semester hours	1,695	15.37%	1,957	16.21%	1,815	14.83%	1,868	15.48%	1,806	15.97%
4-6 semester hours	2,642	23.95%	2,975	24.65%	2,983	24.38%	2,846	23.58%	2,642	23.36%
7-9 Semester hours	2,458	22.28%	2,642	21.89%	2,810	22.97%	2,733	22.64%	2,584	22.85%
10-12 semester hours	2,624	23.79%	2,851	23.62%	3,010	24.60%	2,869	23.77%	2,683	23.72%
13-15 semester hours	1,410	12.78%	1,400	11.60%	1,391	11.37%	1,517	12.57%	1,397	12.35%
16 & over	201	1.82%	246	2.04%	227	1.86%	236	1.96%	198	1.75%
<b>Total</b>	<b>11,030</b>	<b>100.00%</b>	<b>12,071</b>	<b>100.00%</b>	<b>12,236</b>	<b>100.00%</b>	<b>12,069</b>	<b>100.00%</b>	<b>11,310</b>	<b>100.00%</b>

<b>Average course load</b>	<b>8.3</b>	<b>8.3</b>	<b>8.3</b>	<b>8.6</b>	<b>8.3</b>
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<b>Tuition Status</b>	<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>		<b>Fall 2009</b>		<b>Fall 2008</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Texas Resident (in-District)	9,013	81.71%	10,094	83.62%	10,172	83.13%	10,352	85.77%	9,822	86.84%
Texas Resident (out-of-District)	1,750	15.87%	1,701	14.09%	1,737	14.20%	1,537	12.74%	1,333	11.79%
Non-Resident Tuition	267	2.42%	276	2.29%	327	2.67%	180	1.49%	155	1.37%
<b>Total</b>	<b>11,030</b>	<b>100.00%</b>	<b>12,071</b>	<b>100.00%</b>	<b>12,236</b>	<b>100.00%</b>	<b>12,069</b>	<b>100.00%</b>	<b>11,310</b>	<b>100.00%</b>

**Notes:** Year 2013 is not yet available.

**Source:** College Statistical Profiles.

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

<u>Gender</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	6,356	57.62%	6,951	57.58%	7,038	57.52%	7,078	58.65%	6,702	59.26%
Male	4,674	42.38%	5,120	42.42%	5,198	42.48%	4,991	41.35%	4,608	40.74%
<b>Total</b>	<b>11,030</b>	<b>100.00%</b>	<b>12,071</b>	<b>100.00%</b>	<b>12,236</b>	<b>100.00%</b>	<b>12,069</b>	<b>100.00%</b>	<b>11,310</b>	<b>100.00%</b>

<u>Ethnic Origin</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Hispanic	6,253	56.69%	6,637	54.98%	7,254	59.28%	7,155	59.28%	6,534	57.77%
White, non-Hispanic	3,156	28.61%	3,600	29.82%	3,838	31.37%	3,786	31.37%	3,634	32.13%
Black, non-Hispanic	394	3.57%	448	3.71%	365	2.98%	360	2.98%	342	3.02%
Asian/Pacific Islander	209	1.89%	259	2.15%	246	2.01%	243	2.01%	219	1.94%
Indian/Alaskan Native	182	1.65%	150	1.24%	38	0.31%	37	0.31%	24	0.21%
Unknown	836	7.58%	977	8.09%	495	4.05%	488	4.04%	557	4.92%
<b>Total</b>	<b>11,030</b>	<b>100.00%</b>	<b>12,071</b>	<b>100.00%</b>	<b>12,236</b>	<b>100.00%</b>	<b>12,069</b>	<b>100.00%</b>	<b>11,310</b>	<b>100.00%</b>

<u>Age</u>	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 20	3,122	28.30%	3,318	27.49%	3,266	26.69%	4,526	37.50%	3,233	28.59%
20 -24	3,633	32.94%	3,963	32.83%	3,985	32.57%	4,743	39.30%	3,818	33.76%
25 - 29	1,630	14.78%	1,832	15.18%	1,936	15.82%	1,075	8.91%	1,723	15.23%
30 - 34	1,045	9.47%	1,159	9.60%	1,227	10.03%	658	5.45%	931	8.23%
35 - 39	600	5.44%	658	5.45%	706	5.77%	424	3.51%	615	5.44%
40 - 44	407	3.69%	495	4.10%	458	3.74%	323	2.68%	392	3.47%
45 - 49	259	2.35%	311	2.58%	328	2.68%	44	0.36%	288	2.55%
50 & over	334	3.03%	335	2.78%	330	2.70%	276	2.29%	310	2.74%
<b>Total</b>	<b>11,030</b>	<b>100.00%</b>	<b>12,071</b>	<b>100.00%</b>	<b>12,236</b>	<b>100.00%</b>	<b>12,069</b>	<b>100.00%</b>	<b>11,310</b>	<b>100.00%</b>

<b>Average Age</b>	<b>25.5</b>	<b>25.6</b>	<b>25.7</b>	<b>24.5</b>	<b>25.3</b>
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**Notes:** Year 2013 is not yet available.

**Source:** College Statistical Profiles.

**Del Mar College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**Academic Year 2011-12 Students as of Fall 2012**  
**(Includes only public senior colleges in Texas)**  
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	Percent of all Sample Transfer Students
1 Texas A&M University - Corpus Christi	830	75	114	1019	55.23%
2 Texas A&M University - Kingsville	141	8	6	155	8.40%
3 Texas A&M University	146	19	5	170	9.21%
4 The University of Texas at Austin	102	7	8	117	6.34%
5 The University of Texas at San Antonio	93	12	6	111	6.02%
6 Texas State University - San Marcos	72	14	2	88	4.77%
7 Texas Tech University	35	3	3	41	2.22%
8 University of Houston	13	1	0	14	0.76%
9 The University of Texas at Arlington	10	0	1	11	0.60%
10 University of North Texas	14	2	1	17	0.92%
11 Sam Houston State University	19	0	0	19	1.03%
12 The University of Texas - Pan American	5	2	1	8	0.43%
13 Stephen F. Austin State University	10	1	0	11	0.60%
14 Angelo State University	1	0	0	1	0.05%
15 Tarleton State University	4	0	0	4	0.22%
16 The University of Texas at Dallas	3	0	0	3	0.16%
17 Lamar University	2	1	1	4	0.22%
18 University of Houston - Victoria	6	1	0	7	0.38%
19 Texas A&M University - San Antonio	2	0	0	2	0.11%
20 Texas Woman's University	1	1	2	4	0.22%
21 The University of Texas at El Paso	0	0	1	1	0.05%
22 University of Houston - Clear Lake	1	0	0	1	0.05%
23 Texas A&M International University	6	0	1	7	0.38%
24 Midwestern State University	2	0	0	2	0.11%
25 Prairie View A&M University	2	0	0	2	0.11%
26 Texas A&M University - Central Texas	0	0	0	0	0.00%
27 Texas A&M University - Commerce	1	1	0	2	0.11%
28 Texas A&M University at Galveston	5	0	0	5	0.27%
29 Texas Southern University	2	0	0	2	0.11%
30 The University of Texas at Brownsville	4	0	0	4	0.22%
31 The University of Texas Medical Branch at Galveston	3	0	2	5	0.27%
32 The University of Texas of the Permian Basin	2	0	0	2	0.11%
33 University of Houston - Downtown	2	0	1	3	0.16%
34 West Texas A&M University	3	0	0	3	0.16%
	<b>1542</b>	<b>148</b>	<b>155</b>	<b>1845</b>	<b>100.00%</b>

**Source:** Texas Higher Education Coordinating Board Automated Student and Adult Learner Follow-Up System Students Pursuing Additional Education by Institution.

**Del Mar College**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Years 2004 to 2013**  
(unaudited)

	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Academic buildings	34	34	34	34	37	37	37	28	33	33
Square footage (in thousands)	875	875	850	850	831	831	818	541	535	535
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	114	114	114	114	114	114	114	114	114	114
Number of Volumes (in thousands)	187	187	187	187	187	187	187	185	186	184
Administrative and support buildings	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	237	237	237	237	169	169	169	162	162	162
Athletic Facilities	3	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	60	60	60	60	44	44	44	44	44	44
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	6	6	6	6	10	10	10	7	7	7
Square footage (in thousands)	70	70	70	70	33	33	33	30	30	30
Transportation										
Cars	69	8	8	9	7	7	7	7	8	6
Light Trucks/Vans	68	47	55	65	47	47	45	62	64	52
Buses	1	2	2	2	4	4	4	4	4	4

**Source:** Del Mar College Physical Facilities Building Report.

**Del Mar College**  
**Statistical Supplement 19**  
**Changes in Net Position**  
**Fiscal Years 2004 to 2013**  
(unaudited)

For the Year Ended August 31

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Operating Revenues</b>										
Tuition and Fees (net of discounts)	\$ 9,681,161	\$ 14,874,912	\$ 9,849,642	\$ 9,560,810	\$ 11,980,079	\$ 14,031,565	\$ 13,905,089	\$ 13,411,199	\$ 10,395,652	\$ 9,750,773
Federal Grants and Contracts	3,465,361	3,657,769	4,049,813	4,607,604	4,147,939	3,358,387	18,456,640	18,153,117	19,683,302	20,449,756
State Grants and Contracts	1,613,439	1,480,295	1,996,563	1,825,247	2,357,887	1,688,871	1,140,078	1,099,238	911,679	1,587,832
Local Grants and Contracts	837,213	1,779,174	534,974	1,863,118	957,000	698,364	1,014,997	771,956	660,003	604,677
Auxiliary Enterprises (net of discounts)	1,373,947	1,606,639	1,426,632	1,276,187	1,470,590	1,212,596	1,306,995	1,171,742	919,748	806,562
General Operating Revenues	1,172,798	1,233,891	1,089,147	1,635,755	1,260,209	1,464,530	1,490,562	1,121,597	1,458,985	1,252,234
<b>Total Operating Revenues</b>	<b>18,143,919</b>	<b>24,632,680</b>	<b>18,946,771</b>	<b>20,768,721</b>	<b>22,173,704</b>	<b>22,454,313</b>	<b>37,314,361</b>	<b>35,728,849</b>	<b>34,029,369</b>	<b>34,451,834</b>
<b>Operating Expenses</b>										
Instruction	33,765,746	34,475,078	35,631,929	35,082,047	33,919,124	35,832,617	34,003,862	32,745,851	30,269,491	27,640,497
Public Service	21,359	24,975	97,181	36,732	29,517	34,557	36,011	19,982	62,141	100,989
Academic Support	4,984,898	4,829,859	5,852,202	5,899,306	5,963,817	6,083,292	5,712,580	5,620,745	5,753,437	5,723,363
Student Services	12,439,289	10,905,844	11,251,405	10,813,948	10,646,463	12,379,196	10,745,709	10,320,417	9,943,875	10,068,865
Institutional Support	15,235,208	15,440,078	15,340,165	14,510,993	14,152,988	14,496,449	12,356,279	10,652,889	10,998,434	9,447,522
Operating and Maintenance of Plant	7,597,543	7,748,373	9,485,873	11,131,403	11,620,435	11,281,412	9,766,573	9,096,106	7,832,465	6,968,160
Scholarships and Fellowships	6,856,972	5,755,165	10,616,294	13,505,290	15,558,908	10,969,849	10,135,853	10,559,668	11,093,153	12,602,920
Auxiliary Enterprises	1,404,623	1,521,295	1,303,387	1,483,184	1,726,206	1,736,903	1,608,236	1,505,092	1,322,013	800,545
Depreciation	5,606,843	5,594,775	5,668,964	5,773,610	5,686,422	5,205,151	4,318,058	3,870,834	3,443,778	3,570,217
<b>Total Operating Expenses</b>	<b>87,912,481</b>	<b>86,295,442</b>	<b>95,247,400</b>	<b>98,236,513</b>	<b>99,303,880</b>	<b>98,019,426</b>	<b>88,683,161</b>	<b>84,391,584</b>	<b>80,718,787</b>	<b>76,923,078</b>
<b>Operating Loss</b>	<b>\$ (69,768,562)</b>	<b>\$ (61,662,762)</b>	<b>\$ (76,300,629)</b>	<b>\$ (77,467,792)</b>	<b>\$ (77,130,176)</b>	<b>\$ (75,565,113)</b>	<b>\$ (51,368,800)</b>	<b>\$ (48,662,735)</b>	<b>\$ (46,689,418)</b>	<b>\$ (42,471,244)</b>

Source: College Annual Financial Reports.



**Del Mar College**  
**Statistical Supplement 19 (Continued)**  
**Changes in Net Position**  
**Fiscal Years 2004 to 2013**  
(unaudited)

For the Year Ended August 31

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Non-Operating Revenues (Expenses)</b>										
State Appropriations	\$ 19,535,227	\$ 20,928,729	\$ 23,890,346	\$ 24,246,822	\$ 25,144,870	\$ 25,068,833	\$ 24,716,104	\$ 24,563,653	\$ 24,237,720	\$ 24,180,847
Maintenance Ad Valorem Taxes	37,311,571	35,581,594	33,966,441	35,059,327	32,549,826	29,428,339	26,599,544	24,567,051	23,271,516	21,996,013
Debt Service Ad Valorem Taxes	8,678,589	8,939,543	9,800,687	9,030,586	8,736,321	8,643,443	8,935,245	4,790,230	4,818,056	4,715,347
Federal Revenue, Non Operating	18,730,358	13,113,471	21,317,348	20,623,178	20,843,726	15,759,669	-	-	-	-
Gifts	-	60,517	39,748	54,774	-	103,475	139,722	95,630	-	-
Gain (Loss) on Disposal of Capital Assets	(31,345)	(100,187)	(31,752)	(17,603)	(59,130)	(44,620)	(103,657)	57,334	49,765	(39,328)
Investment Income	216,246	347,282	490,659	464,529	802,257	1,985,159	3,634,229	3,497,573	2,064,436	810,621
Interest on Capital Related Debt	(4,597,478)	(4,570,120)	(5,876,467)	(5,949,619)	(6,139,629)	(5,735,106)	(5,312,822)	(4,609,924)	(3,030,375)	(3,481,483)
Contribution from Del Mar Foundation, Inc.	-	-	-	-	2,572	1,902	162,302	248,258	343,372	226,318
Other Non-Operating Revenues	173,864	155,367	139,255	4,534	309,453	125,872	90,886	98,020	34,000	39,609
Other Non-Operating Expenses	(1,600)	(1,450)	(1,450)	(1,150)	(28,118)	(1,033,002)	(1,022,701)	(1,184,959)	(667,933)	(204,163)
<b>Net Non-Operating Revenues</b>	<b>80,015,432</b>	<b>74,454,746</b>	<b>83,734,815</b>	<b>83,515,378</b>	<b>82,162,148</b>	<b>74,303,964</b>	<b>57,838,852</b>	<b>52,122,866</b>	<b>51,120,557</b>	<b>48,243,781</b>
Capital Contributions	836,140	60,000	161,319	50,381	216,497	-	-	-	-	-
<b>Income Before Extraordinary Item</b>	<b>11,083,010</b>	<b>12,851,984</b>	<b>7,595,505</b>	<b>6,097,967</b>	<b>5,248,469</b>	<b>(1,261,149)</b>	<b>6,470,052</b>	<b>3,460,131</b>	<b>4,431,139</b>	<b>5,772,537</b>
<b>Other Expense</b>										
Restatements	-	-	-	-	-	-	-	-	383,737	-
<b>Increase (Decrease) in Net Position</b>	<b>11,083,010</b>	<b>12,851,984</b>	<b>7,595,505</b>	<b>6,097,967</b>	<b>5,248,469</b>	<b>(1,261,149)</b>	<b>6,470,052</b>	<b>3,460,131</b>	<b>4,814,876</b>	<b>5,772,537</b>
<b>Net Assets</b>										
Net Position - Beginning of Year	97,277,589	84,425,605	76,830,100	70,732,133	65,483,664	66,744,813	60,274,761	56,814,630	51,999,754	46,227,217
<b>Net Position - End of Year</b>	<b>\$ 108,360,599</b>	<b>\$ 97,277,589</b>	<b>\$ 84,425,605</b>	<b>\$ 76,830,100</b>	<b>\$ 70,732,133</b>	<b>\$ 65,483,664</b>	<b>\$ 66,744,813</b>	<b>\$ 60,274,761</b>	<b>\$ 56,814,630</b>	<b>\$ 51,999,754</b>

Source: College Annual Financial Reports.

**Del Mar College**  
**Statistical Supplement 20**  
**Ad Valorem Tax Rates Authorized**  
**Last Ten Fiscal Years**  
(unaudited)

<b>Calendar Year</b>	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
<b>2012</b>	0.5000	0.5000	1.0000
<b>2011</b>	0.5000	0.5000	1.0000
<b>2010</b>	0.5000	0.5000	1.0000
<b>2009</b>	0.5000	0.5000	1.0000
<b>2008</b>	0.5000	0.5000	1.0000
<b>2007</b>	0.5000	0.5000	1.0000
<b>2006</b>	0.5000	0.5000	1.0000
<b>2005</b>	0.5000	0.5000	1.0000
<b>2004</b>	0.5000	0.5000	1.0000
<b>2003</b>	0.5000	0.5000	1.0000

**Source:** College Annual Financial Reports.

**Del Mar College**  
**Statistical Supplement 21**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
(unaudited)

For the Year Ended August 31

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Del Mar Colleg District	0.251	0.258	0.258	0.258	0.242	0.242	0.256	0.228	0.234	0.236
<b>Special Districts:</b>										
Hospital District	0.148	0.162	0.162	0.162	0.145	0.145	0.161	0.175	0.225	0.228
Downtown Management District	0.370	0.370	0.370	0.370	0.370	0.370	0.000	0.370	0.500	0.500
Nueces County	0.341	0.351	0.351	0.351	0.356	0.356	0.370	0.404	0.429	0.385
Drainage District No. 2	0.390	0.400	0.318	0.310	0.385	0.377	0.382	0.363	0.426	0.475
Drainage District No. 3	0.189	0.189	0.189	0.897	0.890	0.190	0.180	0.180	0.180	0.180
South Texas Water Authority	0.085	0.062	0.062	0.062	0.056	0.057	0.055	0.055	0.055	0.055
<b>Cities:</b>										
Corpus Christi	0.585	0.571	0.571	0.582	0.564	0.564	0.602	0.626	0.634	0.644

**Source:** Nueces County Tax Office

**Del Mar College**  
**Statistical Supplement 21 (Continued)**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
(unaudited)

For the Year Ended August 31

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>School Districts:</b>										
Calallen ISD	1.359	1.359	1.328	1.299	1.277	1.100	1.430	1.599	1.599	1.599
Corpus Christi ISD	1.237	1.237	1.237	1.237	1.176	1.156	1.486	1.616	1.616	1.590
Flour Bluff ISD	1.178	1.071	1.072	1.070	1.070	1.070	1.387	1.526	1.526	1.526
London ISD	1.251	1.238	1.263	1.250	1.144	1.130	1.277	1.391	1.250	1.260
Port Aransas ISD	1.126	1.086	1.063	1.062	1.058	1.058	1.395	1.550	1.558	1.560
Tuloso Midway ISD	1.317	1.332	1.332	1.332	1.332	1.282	1.612	1.742	1.725	1.730
West Oso ISD	1.370	1.370	1.420	1.420	1.340	1.240	1.650	1.780	1.900	1.570
<b>Fire Districts:</b>										
Fire District No. 1	0.100	0.100	0.100	0.100	0.100	0.075	0.075	0.075	0.060	0.060
Fire District No. 2	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.022
Fire District No. 3	0.030	0.030	0.030	0.030	0.048	0.050	0.050	0.030	0.030	0.030
Fire District No. 4	0.100	0.100	0.100	0.100	0.100	0.088	0.088	0.088	0.088	0.069
Fire District No. 5	0.030	0.030	0.030	0.024	0.028	0.027	0.030	0.030	0.030	0.030
<b>TOTAL:</b>	<b>11.483</b>	<b>11.342</b>	<b>11.282</b>	<b>11.942</b>	<b>11.707</b>	<b>10.603</b>	<b>12.512</b>	<b>13.854</b>	<b>14.091</b>	<b>13.749</b>

**Source:** Nueces County Tax Office

**Del Mar College**  
**Statistical Supplement 22**  
**Computation of Direct and Overlapping Debt**  
**August 31, 2013**  
(unaudited)

<b>Bonded Debt of Individual Governmental Subdivisions:</b>	<b>Estimated Gross Debt</b>	<b>Percent Applicable</b>	<b>Applicable to Direct</b>
<b>Special Districts:</b>			
Nueces County	\$ 111,024,429	100.00%	\$ 111,024,429
Nueces County Hospital District	3,773,430	100.00%	3,773,430
<b>County-Line Special Districts:</b>			
Nueces County Drainage District 2	-	100.00%	-
South Texas Water Authority	-	100.00%	-
<b>City:</b>			
Corpus Christi	321,826,265	100.00%	321,826,265
<b>School Districts:</b>			
Calallen ISD	43,879,337	100.00%	43,879,337
Corpus Christi ISD	299,750,000	100.00%	299,750,000
Flour Bluff ISD	3,880,000	100.00%	3,880,000
London ISD	8,919,620	100.00%	8,919,620
Port Aransas ISD	12,823,914	70.08%	8,986,999
Tuloso-Midway ISD	67,179,999	100.00%	67,179,999
West Oso ISD	46,798,133	100.00%	46,798,133
<b>Sub-total direct and overlapping debt</b>	<b>919,855,127</b>	<b>99.58%</b>	<b>916,018,212</b>
Del Mar College District	102,388,733	100.00%	102,388,733
<b>Total direct and overlapping debt</b>	<b>\$ 1,022,243,860</b>	<b>99.62%</b>	<b>\$ 1,018,406,945</b>

**Source:** Debt outstanding data provided by each entity



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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 4, 2013

Board of Regents  
Del Mar College District  
Corpus Christi, Texas

We have audited, 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, the 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, 2013 and 2012 and June 30, 2013 and 2012, respectively, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 4, 2013.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Collier, Johnson & Woods

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 4, 2013

Board of Regents  
Del Mar College District  
Corpus Christi, Texas

**Report on Compliance for Each Major Federal Program**

We have audited the Del Mar College District's (the College's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2013. The College's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the College's compliance.

***Basis for Qualified Opinion on the Federal Direct Loan Program***

As described in the accompanying schedule of findings and questioned costs, the College did not comply with requirements regarding CFDA 84.268 Federal Direct Loan Program as described in finding number 2013-1 for Reporting. Compliance with such requirements is necessary, in our opinion, for the College to comply with the requirements applicable to that program.

### ***Qualified Opinion on the Federal Direct Loan Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Direct Loan Program for the year ended August 31, 2013.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs for the year ended August 31, 2013.

### **Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying federal schedule of findings and questioned costs as item 2013-1 that we consider to be a significant deficiency.

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

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Collier, Johnson & Woods*



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DEL MAR COLLEGE DISTRICT  
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2013

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 opinion on the Federal Direct Loan Program
- Unmodified opinion on each of the other major federal programs

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 Education  
84.031           Title V - Higher Education Institutional Aid

U.S. Department of Labor  
17.260           WIA Dislocated Workers

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low risk auditee:	Yes
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Section II:  
Findings - Financial Statement Audit

None reported.

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

**2013-1 FEDERAL COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE**

**FEDERAL PROGRAM INFORMATION:** Federal Direct Loan Program, Federal Catalog No. 84.268, U.S. Department of Education

**CRITERIA:** Institutions of higher education must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement (OMB No. 1845-0021).

**CONDITION:** Loan disbursements and related records were not submitted to the DLSS within 30 days of disbursement during the fiscal year ended August 31, 2013.

**QUESTIONED COSTS:** Not applicable

**CONTEXT:** Within the past 18 months, the Financial Aid Department had a significant loss of key long-time personnel due to an early retirement incentive program offered by the College. Those within the Department who took advantage of the program included the Director, Associate Director, and Student Loan Technician. In addition, the Assistant Director accepted a position at another institution. During the subsequent reassignment of duties, the responsibility for reporting to the DLSS was overlooked.

**RECOMMENDATION:** The College should assign the responsibility for performing this reporting function to current personnel.

**COLLEGE'S RESPONSE:** We agree with the Auditor's finding. Current personnel have performed all required reporting to the DLSS as of November 25, 2013. The responsibility for reporting to the DLSS has been assigned to the Interim Director of the Financial Aid Department.

Section IV:  
Prior Year Findings

None reported.



**Del Mar College**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2013**

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Grantor's Number</b>	<b>Expenditures and Pass Through Disbursements</b>
<b>U.S. Department of Education</b>			
<b>Direct Programs:</b>			
<b>Student Financial Aid Cluster</b>			
SEOG	84.007		\$ 284,298
Federal College Workstudy Program	84.033		232,103
Federal Pell Grant	84.063		16,196,581
Direct Student Loans	84.268		6,545,543
TRIO Student Support Services	84.042		184,419
Child Care Access	84.335		94,149
TITLE V - SSC	84.031		172,518
TITLE V - Celebrando Educacion	84.031		800,244
TITLE H S I	84.031		1,044,614
<b>Pass-Through From:</b>			
<b>Texas Education Agency:</b>			
Adult Basic Education	84.002		639,434
Adult Basic Education - ICA Training	84.002		6,193
<b>Texas Higher Education Coordinating Board:</b>			
Carl Perkins Vocational Education - Basic	84.048	124250	26,003
Carl Perkins Vocational Education - Leadership	84.048	121104	52,540
Carl Perkins - Other	84.048	124240	616,924
<b>Total of U.S. Department of Education</b>			<b>\$ 26,895,563</b>
<b>U.S. Department of Defense</b>			
<b>Direct Program:</b>			
<b>Defense Logistics Agency</b>			
Procurement Technical Assistance of Business Firms	12.002		\$ 197,083
<b>National Science and Space Administration</b>			
<b>Direct Program:</b>			
TexPrep	43.001		\$ 34,353
<b>National Science Foundation</b>			
<b>Direct Program:</b>			
SSTEM Future Forward	47.076		\$ 151,726
<b>Pass-Through From:</b>			
<b>Texas A &amp; M College Station:</b>			
NGT Center	47.076	A2670	312,626
Dream IT	45.076	B4730	80,507
Stamp	46.076		144,299
Revision	47.076		86,228
<b>Total National Science Foundation</b>			<b>\$ 775,386</b>

**Del Mar College**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2013**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<b>U. S. Small Business Administration</b>			
<b>Pass-Through From:</b>			
<b>University of Texas at San Antonio</b>			
Small Business Development Center	59.037	1-603001	\$ 104,405
Small Business Administration	59.006	Z0155-DMC	45,638
Small Business Deveolpment Center - PRIME	59.050		68,079
Small Business Deveolpment Center - Jobs Act	59.037		13,521
<b>Total Small Business Administration</b>			<b>\$ <u>231,643</u></b>
<b>U.S. Department of Labor</b>			
<b>Pass-Through From:</b>			
<b>Collin County Community College:</b>			
TAACCCT	17.282	217804	\$ 334,480
<b>Texas Workforce Commission:</b>			
WIA/JATC	17.260	2212ATP001	108,504
<b>Total U. S. Department of Labor</b>			<b>\$ <u>442,984</u></b>
<b>U.S. Department of Agriculture</b>			
<b>Pass-Through From:</b>			
Texas State Department of Agriculture	10.558		\$ 54,955
<b>Pass-Through From:</b>			
<b>Houston Community College System:</b>			
Café con Leche	10.223		22,000
<b>Pass-Through From:</b>			
<b>Texas A &amp; M University Kingsville:</b>			
USDA STEP UP	10.223	12-0107	63,579
<b>Total U. S. Department of Agriculture</b>			<b>\$ <u>140,534</u></b>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Pass-Through From:</b>			
<b>City of Corpus Christi:</b>			
CDBG Rollover	14.218		\$ 23,716
<b>Total Federal Financial Assistance</b>			<b>\$ <u>28,741,262</u></b>

**Del Mar College**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2013**

**Note 1: Federal Assistance Reconciliation**

Federal Grants and Contracts revenue - per Schedule A	\$ 3,465,361
Add: Non-Operating Federal Revenue from Schedule C	18,730,358
<b>Total Federal Revenues per Schedule of Revenues, Expenses and Changes in Net Assets</b>	<b>\$ <u>22,195,719</u></b>

Reconciling Item:

Add: Funds Passed through to others	\$ -
Add: Direct Student Loans	6,545,543
<b>Total Federal Revenues per Schedule of Expenditures of Federal Awards</b>	<b>\$ <u>28,741,262</u></b>

**Note 2: Significant Accounting Policies used in Preparing the Schedule**

The accompanying schedule is presented using the accrual basis of accounting. The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the college for the 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. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**Note 3: Expenditures Not Subject to Federal Single Audit**

None

**Note 4: Student Loans Processed and Administrative Costs Recovered - if not included in schedule**

None

**Note 5: Nonmonetary federal assistance received**

None

**Note 6: Amounts Passed Through by the College**

None



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

December 4, 2013

Board of Regents  
Del Mar College District  
Corpus Christi, Texas

**Report on Compliance for Each Major State Program**

We have audited the Del Mar College District's (the College's) compliance with the types of compliance requirements described in the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major state programs for the year ended August 31, 2013. The College's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major state programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major state program. However, our audit does not provide a legal determination on the College's compliance.

***Opinion on Each Major State Program***

In our opinion, the College complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2013.

## Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Collier, Johnson & Woods

DEL MAR COLLEGE DISTRICT  
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2013

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 the State of Texas Single Audit Circular?	No
Identification of Major Programs:	
Texas Higher Education Coordinating Board: Texas Grant Program	
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 State Award Programs

None reported.

Section IV:  
Prior Year Findings

None reported



**Del Mar College**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended August 31, 2013**

<u>Grantor Agency/ Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	22339	\$ 37,599
Texas Grant Program	13399	1,060,886
Nursing SATIN		48,099
Top 10% Scholarships		32,000
Texas Workforce Commission		
Small Business	2210ssd000	3,594
TPCO/Skills Development		1,003
Charley Wootan		95,350
University of Texas at San Antonio		
Small Business Development	11-603001-z-0049-25-dmc	235,636
SBDC Rural	11-603001-z-0049-25-dmc	99,272
Total State Financial Assistance		\$ <u>1,613,439</u>

**Note 1: State Assistance Reconciliation**

State Revenues - per Schedule A		
State Financial Assistance		
Per Schedule of expenditures of state awards		\$ 1,613,439
<b>Total State Revenues per Schedule A</b>		<b>\$ <u>1,613,439</u></b>

**Note 2: Significant Accounting Policies used in Preparing the Schedule**

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for 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.



# **DM** DEL MAR COLLEGE

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