



COLLEGE OF THE MAINLAND

**ANNUAL FINANCIAL AND
COMPLIANCE REPORT**

**Years Ended August 31, 2012 and 2011
with Report of Independent Auditors**

COLLEGE OF THE MAINLAND

ORGANIZATIONAL DATA

For the Years Ended August 31, 2012 and 2011

BOARD OF TRUSTEES

OFFICERS AND MEMBERS

			Term Expires May 31,
Ralph E. Holm	Chairperson	Texas City, Texas	2015
Roney McCrary	Vice-Chairperson	Santa Fe, Texas	2017
Rosalie R. Kettler	Secretary	Dickinson, Texas	2013
Bennie Matthews	Member	Texas City, Texas	2013
Wayne H. Miles	Member	League City, Texas	2017
Clemon P. Prevost, Sr.	Member	Texas City, Texas	2013
Nick Stepchinski	Member	Bayou Vista, Texas	2015

PRINCIPAL ADMINISTRATIVE OFFICERS

J. Larry Durrence, Ph.D	Interim President
Amy E. Locklear, Ph.D.	Vice President for Instruction
Kris Kimbark, MA. & Kelly Musick, BA.....	Interim Co-Vice President's for Student Services
Lisa Templer, CPA	Vice President for College and Financial Services
Helen R. Duvall, CPA	Controller

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REPORT OF INDEPENDENT AUDITORS

Board of Trustees
College of the Mainland
Texas City, Texas

To the Members of the Board:

We have audited the accompanying financial statements of College of the Mainland (the “College”) as of and for the years ended August 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the College’s 2011 financial statements, which were audited by other auditors. In their report, dated December 14, 2011, they expressed unqualified opinions on the respective financial statements. We did not audit the financial statements of the College of the Mainland Foundation (the “Foundation”). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based on the report of the other auditors.

We conducted our audit 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 provisions of the State of Texas Governor’s Office of Budget and Planning Uniform Grant Management Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of August 31, 2012, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the College’s financial statements for the year ended August 31, 2011, from which such summarized information was derived.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012 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, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit. The financial statements of the College of the Mainland Foundation were not audited in accordance with *Government Auditing Standards*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's financial statements as a whole. The "Statistical Supplement" and the "Other Supplemental Schedules" are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Single Audit Circular* and are also not a required part of the financial statements. The accompanying Supplemental Schedules A through D as listed in the table of contents are presented for purposes of additional analysis as required by Texas Higher Education Coordinating Board's (THECB) *Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*, and are also not a required part of the financial statements. The schedules of expenditures of federal and state awards and the supplemental schedules required by the THECB are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The statistical and other supplemental schedules 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 it.

Whitley Penn LLP

Texas City, Texas
December 7, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS

In June 1999, the Governmental Accounting Standards Board ("GASB") released Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments," which established a new reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities." College of the Mainland (the "College") is a local government entity and falls under GASB Standards for accounting and financial reporting. The College also falls under the financial reporting standards of the Texas Higher Education Coordinating Board (the "Coordinating Board"), and as directed by GASB 34, the Coordinating Board implemented the new accounting standards for fiscal year 2002.

The following analysis provides an overview of the College's financial activities for fiscal year 2012. The purpose of this overview is to present an "objective and easily readable analysis of the financial activities based on currently known facts, decisions, or conditions." The analysis conforms to topics covered in GASB Statement 34, paragraph 4, and reflects transactions, events, legislation and conditions that are presented in the College's financial report.

The College is a comprehensive public community college funded primarily through state appropriations, tuition and fees, taxes, and grant income. The College district is coterminous with the boundaries of five school districts; Dickinson ISD, Hitchcock ISD, La Marque ISD, Santa Fe ISD, and Texas City ISD. It has a service area that covers the whole of mainland Galveston County, Texas. The College employs approximately 377 full time staff and several hundred part-time staff and student workers.

Three financial statements are required to be presented under the new GASB requirements and they are: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. Management's discussion will address all three (3).

The Statement of Net Assets

The statement of net assets represents the financial position of the College and presents all assets and liabilities using the accrual basis of accounting. During 2012, current assets decreased by \$214,607 primarily due to a decrease in cash and cash equivalents that is reflected in the decrease in accounts payable.

Current liabilities increased by \$109,620, which was caused by several factors. Accounts payable decreased by 337,119, and accrued liabilities decreased by \$224,847 primarily because of the decrease in estimated reserves for incurred but not reported worker's compensation benefits of \$242,733. In 2011 we had the highest claim in the history of the College that is unlikely to occur in the future and therefore, we reduced the estimated reserves needed to cover claims.

Noncurrent liabilities decreased by \$1,088,018. This was caused by reducing the total amount owed in 2012 of the two (2) retirement incentives by our annual payout of \$628,019 over five (5) years, the reduction of the Valero Tax Refund of \$105,013 by the current year payment, the reduction of bonds payable by the current year payment of \$275,000, and a reduction in compensated absences of \$16,323.

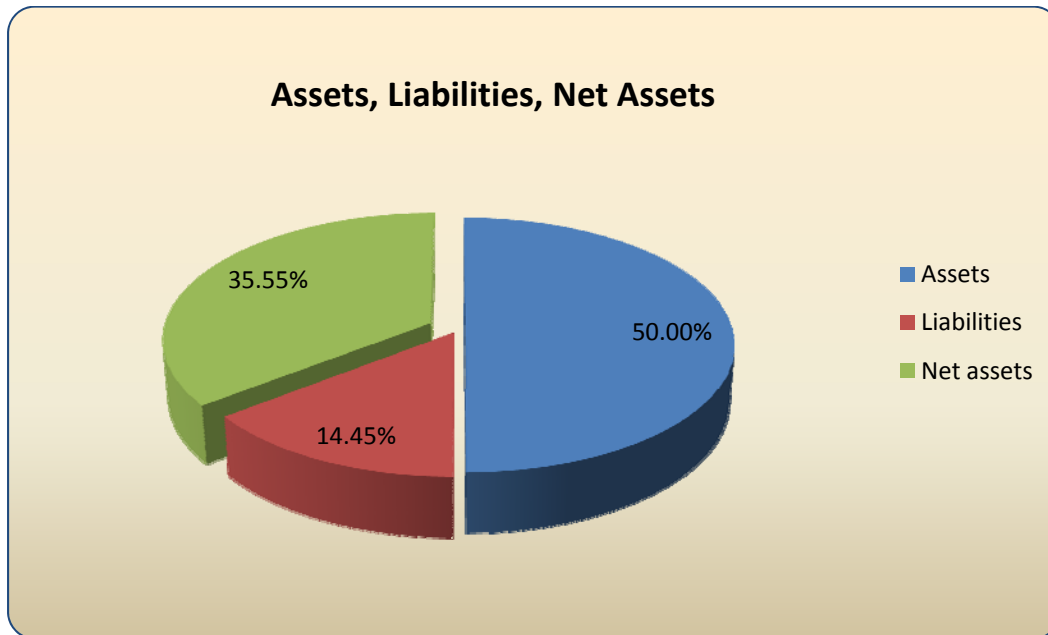
There are three (3) annual payouts remaining on the first retirement incentive for a total amount owed of \$1,293,165, and four (4) annual payouts remaining on the second retirement incentive for a total amount owed of \$678,039. There are two (2) annual payments remaining for the Valero tax refund and two (2) more bond payments for a total bond principal amount outstanding of \$580,000.

COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Summary data for the Statement of Net Assets is provided in the table below for fiscal year 2012 and 2011.

	Current Year	Prior Year	Change
Current assets	\$ 20,802,501	\$ 21,017,108	\$ (214,607)
Capital assets (net)	12,999,480	13,223,375	(223,895)
Other non-current assets	3,870,190	2,580,794	1,289,396
Total Assets	37,672,171	36,821,277	850,894
Current liabilities	8,352,697	8,243,077	109,620
Non-current liabilities	2,531,895	3,619,913	(1,088,018)
Total Liabilities	10,884,592	11,862,990	(978,398)
Invested in capital assets, net of related debt	13,900,509	12,324,190	1,576,319
Restricted net assets	2,261,077	1,573,013	688,064
Unrestricted net assets	10,625,993	11,061,084	(435,091)
Total net assets	\$ 26,787,579	\$ 24,958,287	\$ 1,829,292

Assets, liabilities, and net assets for fiscal year 2012 can be seen in the following graphical presentation.



COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statement of Revenues, Expenses, and Changes in Net Assets

This statement represents the operating activity of the College, which results from revenue, expenses, gains and losses during the year. In 2012 operating revenue decreased by \$935,500. This was due to several increases and decreases but the two (2) most noteworthy decreases were \$923,553 in auxiliary, which was caused by outsourcing our bookstore operations, and \$807,651 in private grants and contracts, which was caused by a decrease in the BP apprenticeship program funding. BP did not start any new first year students but they plan on completing the students that are in the third and fourth year classes. The program is a four (4) year program and the fourth year class will be completed in 2013 so there will be a decline in revenue that year as well.

Operating Revenue

One offsetting increase in operating revenue was \$279,143 for tuition and fees (net of discounts). Tuition and fees are discounted or reduced for Title IV federal grant remissions. Tuition and fee revenue was \$3,701,392 for 2012 and \$3,422,249 for the prior year for an increase of \$279,143. If discounting is removed the tuition and fee revenue for 2012 was \$8,086,329 and \$6,409,870 in the prior year for an increase of \$1,676,459.

The purpose of discounting tuition and fee revenue by Title IV federal grant remissions is to prevent double counting federal Pell funds when all funds are collapsed for the entity wide statements. Although unduplicated headcount decreased 4.2 % in 2012 from the prior year when comparing fall to fall, the increase in tuition per credit hour and the increase in fees caused the increase in revenue.

Federal grants and contract revenue increased by \$557,911 in 2012 compared to the prior year. The increase was caused primarily by an increase in Direct Loans in the amount of \$438,733 and an increase in Pell grant funds in the amount of \$170,588. Direct loans increased in 2012 compared to the prior year because the College began participating in the Direct Loan program again in 2011 after discontinuing that program many years ago and student awareness has increased since then.

Enrollment was down but the amount of Pell funds disbursed increased. This is because 1,587 unduplicated students were awarded and disbursed Pell funds in 2012 compared to 1,504 in 2011. Another large increase of \$152,340 in 2012 compared to prior year was in the pass through grant from Texas Education Agency (TEA) in the Adult Education and Family Literacy grant.

As previously mentioned, auxiliary revenue decreased by \$923,553 because of outsourcing the bookstore operations during the current fiscal year.

Operating Expenses

Operating expenses decreased \$2,613,813 when compared to the prior year. The largest decrease in expenses was in Instruction in the amount of \$1,041,924. This was due to a decrease in unrestricted instruction of \$256,139, a decrease of \$785,786 in the restricted grant funds for instruction and a decrease of \$382,694 for the benefit allocation related to the \$785,786 decrease in grant funds. In addition, BP is not admitting any first year students to the four (4) year apprenticeship program. BP will allow the third and the fourth year students currently enrolled to complete the apprenticeship program and they will assess their needs at that time.

Public Service decreased \$302,445 in 2012 compared to 2011. The most significant decreases occurred in Memberships and Community Recreation for a total decrease in that department of \$112,877, and the Teacher's Alternative Certification program in the amount of \$120,793.

COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Academic support decreased by \$349,448 in 2012 when compared to the prior year. The largest decrease was in unrestricted funds in the amount of \$280,464 and of that amount, except \$221, related to salaries and benefits. There were other increases and decreases that made up the remainder of the \$349,448 overall decrease.

Student services expenses increased in 2012 compared to 2011 by \$106,544 due to a new Gulf Coast PASS grant approximating \$25,000. In addition, there was an increase in personnel in the in the advisement center.

Institutional support decreased by \$216,366 in 2012. Salary and benefits of \$47,347 accounted for one decrease and the remaining balance of \$169,019 is made up of other increases and decreases. One notable increase was in the Office of the President in the amount of \$194,891, which was caused by paying the outgoing president while paying the Interim president at the same time during the year.

Some significant decreases were in the following budgets. The Board of Trustee's budget decreased by \$40,909 and of that amount \$28,990 for election costs. Although, we did not have a regular trustee election, it was uncertain during the budget process whether we would hold a special called election to issue general obligation bonds. As it turned out we did not hold a special called election. There was also a decrease of \$138,168 in general institutional that was made up of increases and decreases. The largest increase was in legal fees in the amount of \$158,139. Legal fees were \$375,971 in 2011 and \$534,110 in 2012.

The offsetting decreases were \$124,142 in bad debt expense. This expense is used to adjust asset accounts, like student accounts receivable, where we reduce the value of the asset to reflect the estimated amount that we anticipate collecting based on historical data. Professional services decreased \$77,812 compared to the prior year. There were two (2) services in 2011 that were not routine that caused fiscal year 2011 to be very high compared to 2012. One service was Cambridge Strategic Services, the consultant that was engaged for the bond campaign in the amount of \$54,888. That bond election failed by twelve (12) votes in 2011. The other service was the consultant that was engaged to help us prepare for our Southern Association of Colleges and Schools (SACS) Reaccreditation in the amount of \$32,050 that covered travel and fees.

Another decrease was in Auxiliary enterprise expenses in the amount of \$1,495,638. This was primarily due to a decrease in bookstore expenditures of \$1,471,254 that was caused by outsourcing the bookstore for fiscal year 2012.

Non-Operating Revenues (Expenses)

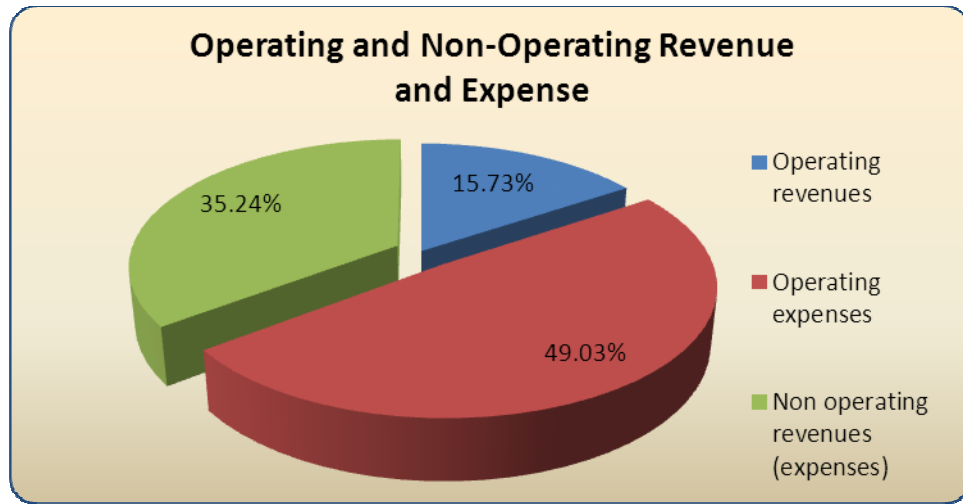
State appropriations decreased by \$1,275,273. This is the net difference between the increase in unrestricted state appropriations and the significant decrease in restricted state appropriations that are allocated to group health and retirement.

Please see below for the actual revenue and expense figures for fiscal year ending 2012.

	Current Year	Prior Year	Change
Operating revenues	\$ 14,800,158	\$ 15,735,658	\$ (935,500)
Operating expenses	46,130,728	48,744,541	(2,613,813)
Net operating income (loss)	(31,330,570)	(33,008,883)	1,678,313
Non-operating revenues (expenses)	33,159,862	33,287,957	(128,095)
Total increase (decrease) in net assets	1,829,292	279,074	1,550,218

COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

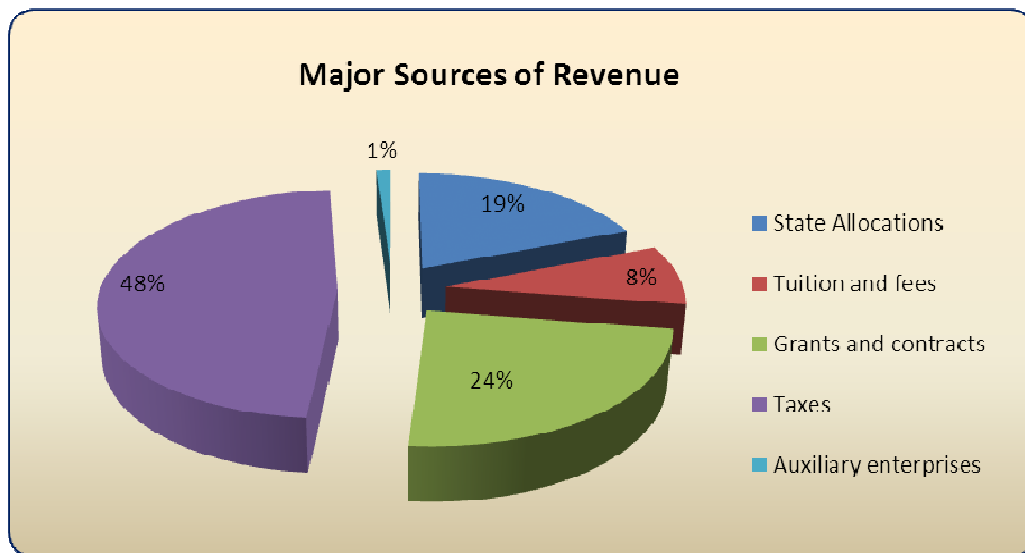
The table data above is graphically depicted below for 2012.



The College's combined operating and non-operating revenues by major source for fiscal year 2012 are shown in the table below.

Revenue	Current Year	Prior Year	Change
State Allocations	8,292,705	9,567,978	(1,275,273)
Tuition and fees	3,701,392	3,422,249	(279,143)
Grants and contracts	10,414,862	10,654,900	(240,038)
Taxes	20,772,062	20,556,458	215,604
Auxiliary enterprises	472,190	1,395,743	(923,553)
Total Major Revenue Sources	43,653,211	45,988,283	(2,335,072)

The table data for operating and non-operating for 2012 is shown graphically below.

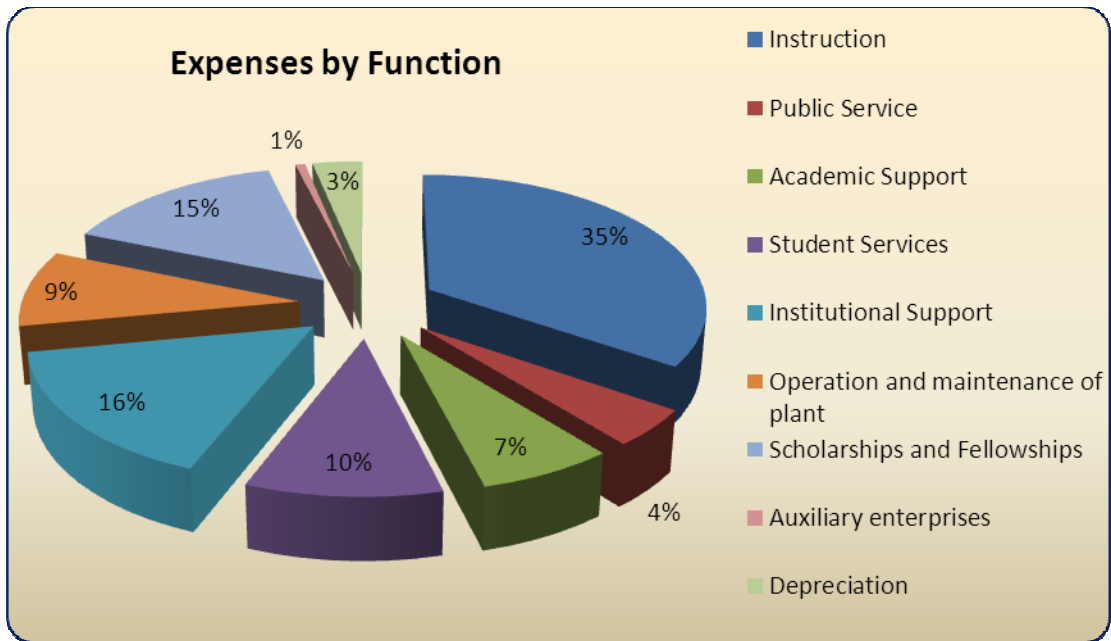


COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Operating expenses are reported in the financial statement by functional classification and are presented below in the table for fiscal 2012 and 2011.

Functional Expenses	Current Year	Prior Year	Change
Instruction	15,945,257	16,987,181	(1,041,924)
Public Service	2,093,111	2,395,556	(302,445)
Academic Support	3,188,221	3,537,669	(349,448)
Student Services	4,589,659	4,483,115	106,544
Institutional Support	7,410,450	7,626,816	(216,366)
Operation and maintenance of plant	4,261,114	4,210,472	50,642
Scholarships and Fellowships	6,838,729	6,212,203	626,526
Auxiliary enterprises	295,214	1,790,852	(1,495,638)
Depreciation	1,508,973	1,500,677	8,296
Total	46,130,728	48,744,541	(2,613,813)

Please the graphical depiction for the table data above for fiscal year 2012.



COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statement of Cash Flows

Cash flows from operating activities show that in 2012 we used \$3,697,809 more than we did in 2011. The payments the College made to or on behalf of employees increased by \$2,004,941, but the largest increase was in payments for scholarships and fellowships. The increase of \$3,697,809 in 2012 compared to the prior year was due to many increases but the direct loan program had an increase of \$441,824. Payments made to suppliers for goods and services decreased by \$2,263,802 for 2012 compared to the prior year.

Cash flows from non-capital financing provided for an increase in cash receipts of \$2,241,636 compared to 2011 and the largest increase was \$953,921 in federal grants and contracts. The largest part of the increase in federal grants and contracts was due to an increase in the direct loan program in the amount of \$438,733, an increase in Pell awards of \$170,588, and an increase in the Adult Family Literacy Grant of \$152,340 that was \$761,661 of the \$953,921 of the increased non-operating cash flow cash flow for federal grants. There was also an increase in the collection of ad valorem taxes by \$241,974 compared to 2011.

Cash flows from capital and related financing activities used or decreased by \$554,515 compared to 2011. Of that amount, \$420,374 is the difference between the projects paid for out of designated fund balance. In 2011 the College spent \$1,223,700 out of designated fund balance for capital facility projects compared to \$803,323 in 2012. In conclusion the College increased total cash receipts by \$1,000,611 in 2012 compared the prior year.

Conclusion

Looking to the future, the Board of Trustees unanimously approved a new President, Dr. Beth Lewis, on November 16, 2012. Dr. Lewis is College of the Mainland's seventh president and its first female president. Dr. Lewis has over twenty-five years in higher education instruction and administration. Most recently, Dr. Lewis served as the vice president of academic affairs at Alamo Community College District at the Northeast Lakeview campus. Previously, Dr. Lewis was the dean of academic affairs at Blinn College in Brenham, Texas. Dr. Lewis earned a Bachelor of Arts in English from the University of Texas in Austin, Master of Arts in English and a doctorate in education leadership from Sam Houston University.

The faculty and staff at the College also participated in the selection of the President. The campus and the community at large was invited to attend the public forums for the three (3) top candidates and after the last public forum there was an opportunity for faculty, staff, and community to cast their vote for their top candidate. When the Board tallied the vote of the campus and community, Dr. Beth Lewis was overwhelmingly the top candidate for president. Her contract begins on January 1, 2013.

There are some challenges at the moment with filling key administrative positions. We are currently advertising for the position of vice president for student services and we will be advertising the director of marketing. The new president will be able to select the best candidate for both positions.

COLLEGE OF THE MAINLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Recently, we went through our ten (10) year Southern Association of Colleges and Schools (SACS) reaccreditation and ended up with five (5) recommendations that were in instruction. Three (3) of the findings were related to the Quality Enhancement Plan (QEP) and the other two (2) were very common findings that are easy to correct. There were no findings in the financial, facilities, or student services area. We will not officially hear that we have been reaccredited until June 2013, but with the recommendations that we had it will not be a problem.

The College is very healthy financially with reserves sufficient to sustain operations, faculty, and staff for a three (3) month period in the event of a catastrophic event. In addition, the College was able to decrease the operating budget by almost \$1 million dollars without cutting programs or services. One noteworthy accomplishment is that Moody's Investors upgraded the College bond rating from A3 to A2 in spite of the financial uncertainty with State of Texas funding for community colleges. This was possible with the change in the board after the last board of trustee election and the incumbent board members that have been in place.

The Board is clearly working together and has placed financial efficiency as a priority as well as ensuring that competent faculty and staff are hired. The Board's ultimate goal is to serve students in the most cost effective way possible while improving success indicators of our students and instruction.

Information Technology (IT) is an area that needs improvements in IT infrastructure and proper staffing. The President and the Board have dedicated funding to accomplish these goals, and while we are still in the process of achieving best practices in IT, we have made great progress in the last six (6) months in that area.

The major challenge that must be addressed is the aging infrastructure of the campus. College of the Mainland is approximately forty-five (45) years old, and while the campus has been well maintained we have \$32 million in deferred maintenance projects that must be addressed soon. We have had two (2) failed bond elections in the last five (5) years, with the last election failing by eleven (11) votes. To that end, the Board has designated approximately \$4.5 million dollars in fund balance for major facility projects while maintaining the reserves required for three (3) months of operation for a catastrophic event. While a formalized facility plan has not been approved since the last failed bond election, there are various scenarios being discussed to address the facility deferred maintenance needs. In conclusion, the overall strengths of the College far outweigh the challenges that we are facing.

The financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Vice President for College and Financial Services at College of the Mainland, 1200 Amburn Road, Texas City, Texas 77591.

BASIC FINANCIAL STATEMENTS

COLLEGE OF THE MAINLAND
STATEMENT OF NET ASSETS
August 31, 2012 and August 31, 2011

Exhibit 1

	<u>Current year</u>	<u>Prior year</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,322,578	\$ 15,615,198
Accounts receivable (net)	5,131,850	5,071,640
Inventories	-	2,639
Prepaid expenses	348,073	327,631
Total current assets	<u>20,802,501</u>	<u>21,017,108</u>
Noncurrent assets:		
Restricted cash and cash equivalents	3,823,411	2,530,180
Loans receivable (net)	43,916	46,320
Deferred charges	2,863	4,294
Capital assets (net), (see notes)	12,999,480	13,223,375
Total noncurrent assets	<u>16,869,670</u>	<u>15,804,169</u>
Total Assets	<u>37,672,171</u>	<u>36,821,277</u>
Liabilities		
Current liabilities:		
Accounts payable	1,121,616	1,458,735
Accrued liabilities	328,548	553,395
Compensated absences and severance payable - current	309,187	255,525
Retirement incentive payable - current	628,019	628,019
Funds held for others	170,506	162,026
Unearned income	5,404,808	4,805,364
Tax refund payable - current portion	105,013	105,013
Bonds payable - current portion	285,000	275,000
Total current liabilities	<u>8,352,697</u>	<u>8,243,077</u>
Noncurrent liabilities:		
Compensated absences and severance payable - noncurrent	788,695	858,681
Retirement incentive payable - noncurrent	1,343,186	1,971,205
Tax refund payable - noncurrent	105,014	210,027
Bonds payable	295,000	580,000
Total noncurrent liabilities	<u>2,531,895</u>	<u>3,619,913</u>
Total Liabilities	<u>10,884,592</u>	<u>11,862,990</u>
Net Assets		
Invested in capital assets, net of related debt	13,900,509	12,324,190
Restricted for:		
Expendable		
Grants and donor restrictions	406,416	395,199
Loan funds	96,877	93,057
Renewals and replacements	1,048,927	413,712
Debt service	708,857	671,045
Unrestricted	10,625,993	11,061,084
Total Net Assets (Schedule D)	<u>\$ 26,787,579</u>	<u>\$ 24,958,287</u>

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

**COLLEGE OF THE MAINLAND
AFFILIATED ORGANIZATION
STATEMENT OF FINANCIAL POSITION**

College of the Mainland Foundation - Fiscal Years August 31, 2012 and 2011

Assets		
	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and Cash Equivalents	\$ 212,451	\$ 151,376
Contributions Receivable, Net	<u>30,230</u>	<u>43,306</u>
Total Current Assets	<u>242,681</u>	<u>194,682</u>
Noncurrent Assets:		
Cash and Cash Equivalents	290,956	207,407
Investments, at Fair Value	<u>1,826,190</u>	<u>1,806,138</u>
Total Noncurrent Assets	<u>2,117,146</u>	<u>2,013,545</u>
Total Assets	<u>\$ 2,359,827</u>	<u>\$ 2,208,227</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	<u>\$ 218,664</u>	<u>\$ 55,110</u>
Total Liabilities	<u>218,664</u>	<u>55,110</u>
Net Assets:		
Unrestricted	33,441	11,521
Temporarily Restricted	871,395	960,051
Permanently Restricted	<u>1,236,327</u>	<u>1,181,545</u>
Total Net Assets	<u>2,141,163</u>	<u>2,153,117</u>
Total Liabilities and Net Assets	<u>\$ 2,359,827</u>	<u>\$ 2,208,227</u>

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

COLLEGE OF THE MAINLAND

Exhibit 2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Years Ended August 31, 2012 and August 31, 2011

	<u>Current year</u>	<u>Prior year</u>
Operating Revenues		
Tuition and fees (net of discounts of \$3,291,345 and \$2,337,424)	\$ 3,701,392	\$ 3,422,249
Federal grants and contracts	8,367,977	7,810,066
State grants and contracts	555,574	555,872
Private grants and contracts	1,481,311	2,288,962
Local grants and contracts	10,000	-
Sales and services of educational activities	23,727	25,220
Auxiliary enterprises (net of discounts)	472,190	1,395,743
General operating revenues	187,987	237,546
Total operating revenues (Schedule A)	<u>14,800,158</u>	<u>15,735,658</u>
Operating Expenses		
Instruction	15,945,256	16,987,181
Public service	2,093,111	2,395,556
Academic support	3,188,221	3,537,669
Student services	4,589,659	4,483,115
Institutional support	7,410,450	7,626,816
Operation and maintenance of plant	4,261,114	4,210,472
Scholarships and fellowships	6,838,729	6,212,203
Auxiliary enterprises	295,214	1,790,852
Depreciation expense	1,508,973	1,500,677
Total operating expenses (Schedule B)	<u>46,130,728</u>	<u>48,744,541</u>
Operating income (loss)	<u>(31,330,570)</u>	<u>(33,008,883)</u>
Non-operating revenues (expenses)		
State appropriations	8,292,705	9,567,978
Maintenance ad valorem taxes	20,772,062	20,556,458
Federal revenue, non-operating	3,291,345	2,337,424
Investment income	20,690	26,340
Foreign trade zone fees	792,856	735,893
Interest and fees on capital related debt	(9,796)	(50,632)
Other non-operating revenues		114,496
Net non-operating revenues (expenses) (Schedule C)	<u>33,159,862</u>	<u>33,287,957</u>
Increase (decrease) in net assets	1,829,292	279,074
Net assets - beginning of year	<u>24,958,287</u>	<u>24,679,213</u>
Net assets - end of year	<u>\$ 26,787,579</u>	<u>\$ 24,958,287</u>

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

**COLLEGE OF THE MAINLAND
AFFILIATED ORGANIZATION
STATEMENT OF ACTIVITIES**

**College of the Mainland Foundation - Fiscal Year August 31, 2012
with Comparative Totals for 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2012</u>	<u>2011</u>
Revenue and Support:					
Donations	\$ 23,722	\$ 189,403	\$ -	\$ 213,125	\$ 209,037
Grants	-	22,500	-	22,500	44,897
Net Realized and Unrealized					
Gains (Losses) on Investments	2,316	9,938	54,782	67,036	34,671
Interest and Dividends	52	66,492	-	66,544	69,593
In-Kind Revenue	154,657	-	-	154,657	144,508
Total Revenue and Support	<u>180,747</u>	<u>288,333</u>	<u>54,782</u>	<u>523,862</u>	<u>502,706</u>
Restrictions Released:					
Program Expenditures	<u>376,989</u>	<u>(376,989)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Support and Reclassification	<u>557,736</u>	<u>(88,656)</u>	<u>54,782</u>	<u>523,862</u>	<u>502,706</u>
Expenses:					
Program Services:					
Student Scholarships	308,289	-	-	308,289	139,235
Other Program Payments	19,966	-	-	19,966	79,712
Total Program Services	<u>328,255</u>	<u>-</u>	<u>-</u>	<u>328,255</u>	<u>218,947</u>
Non-Program Services:					
Bad Debt Expense	14,520	-	-	14,520	10,440
Fundraising	7,325	-	-	7,325	9,573
Salaries	142,266	-	-	142,266	130,692
General and Administrative	43,450	-	-	43,450	44,490
Total Non-Program Services	<u>207,561</u>	<u>-</u>	<u>-</u>	<u>207,561</u>	<u>195,195</u>
Total Expenses	<u>535,816</u>	<u>-</u>	<u>-</u>	<u>535,816</u>	<u>414,142</u>
Change in Net Assets	21,920	(88,656)	54,782	(11,954)	88,564
Net Assets at beginning of year	<u>11,521</u>	<u>960,051</u>	<u>1,181,545</u>	<u>2,153,117</u>	<u>2,064,553</u>
Net Assets at end of year	<u>\$ 33,441</u>	<u>\$ 871,395</u>	<u>\$ 1,236,327</u>	<u>\$ 2,141,163</u>	<u>\$ 2,153,117</u>

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

COLLEGE OF THE MAINLAND
STATEMENT OF CASH FLOWS
For the Years Ended August 31, 2012 and August 31, 2011

Exhibit 3

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from students and other customers	\$ 4,084,633	\$ 4,960,880
Receipts of grants and contracts	11,022,958	11,196,864
Payments to or on behalf of employees	(29,058,544)	(27,053,603)
Payments to suppliers for goods or services	(8,743,610)	(11,007,412)
Payments for scholarships and fellowships	(6,838,729)	(3,981,770)
Other operating receipts	187,987	237,545
Net cash provided (used) by operating activities	<u>(29,345,305)</u>	<u>(25,647,496)</u>
Cash flows from non-capital financing activities:		
Receipts of state allocations	7,116,633	6,163,471
Receipts from ad valorem taxes	20,805,879	20,563,905
Receipts from foreign trade zone participants	792,856	735,893
Receipts from federal grants from non-operating activities	3,291,345	2,337,424
Receipts from student organizations and other agency transactions	171,684	152,717
Payments to student organization and other agency transactions	(163,203)	(180,074)
Net (increase) decrease in loans receivable	2,404	2,626
Net cash provided (used) by non-capital financing activities	<u>32,017,598</u>	<u>29,775,962</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,285,079)	(1,813,159)
Payments on capital debt and leases - principal	(397,497)	(383,096)
Payments on capital debt and leases - interest and fees	(9,796)	(50,632)
Net cash provided (used) by capital and related financing activities	<u>(1,692,372)</u>	<u>(2,246,887)</u>
Cash flows from investing activities:		
Investment income	20,690	26,341
Net cash provided (used) by investing activities	<u>20,690</u>	<u>26,341</u>
Increase (decrease) in cash and cash equivalents	1,000,611	1,907,920
Cash and cash equivalents, beginning of year	<u>18,145,378</u>	<u>16,237,458</u>
Cash and cash equivalents, end of year	<u>\$ 19,145,989</u>	<u>\$ 18,145,378</u>
Components of cash and cash equivalents		
Cash and cash equivalents	\$ 15,322,578	\$ 15,615,198
Restricted cash and cash equivalents	3,823,411	2,530,180
	<u>\$ 19,145,989</u>	<u>\$ 18,145,378</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (31,330,570)	\$ (33,008,883)
Adjustments:		
Depreciation expense	1,508,973	1,500,677
Payments made directly by state for benefits	1,040,750	3,404,508
Changes in assets and liabilities:		
Receivables, net	60,210	60,849
Inventories	2,639	856,967
Prepaid expenses	(20,442)	(9,432)
Accounts payable	(337,119)	554,233
Accrued liabilities	(224,847)	111,108
Unearned income	599,444	793,664
Compensated absences/retirement incentive payable	(644,343)	88,813
Net cash provided (used) by operating activities	<u>\$ (29,345,305)</u>	<u>\$ (25,647,496)</u>

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

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS
August 31, 2012

Note 1 - Reporting Entity

College of the Mainland (the “College”) was established in 1962, in accordance with the laws of the State of Texas, to serve the educational needs of Texas City and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (“GASB”) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The basic financial statements of the College include the funds of all organizational entities for which the College has oversight responsibility. Oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In evaluating how to define the College for financial reporting purposes, management has considered all potential component units, including the College of the Mainland Foundation (the “Foundation”).

The Foundation is a legally separate not-for-profit organization, which provides benefits such as scholarships to the College’s students and assists in the development and growth of the College. The Foundation does not provide a financial benefit or impose a financial burden on the College. The College does not appoint any of the Foundation’s board members. As a result, the financial position and results of operations of the Foundation are not combined with the financial position and changes in net assets of the College.

GASB Statement 39 requires governments to report certain legally separate organizations as component units even though the primary government is *not* financially accountable for those organizations. The standard is directed principally toward fund-raising organizations. GASB Statement 39 requires a legally separate tax-exempt organization to be reported as a component unit if *all* of these criteria are met:

- a. The economic resources of the separate organization entirely, or almost entirely, directly benefit the primary government, its component units, or its constituents.
- b. The primary government or its component units are entitled to, or can otherwise access, a majority of the economic resources of the separate organization.
- c. The economic resources of the individual separate organization the primary government or the component unit is entitled to, or can otherwise access, are significant to that primary government.

Organizations that are component units based solely on the criteria established by GASB Statement 39 are required to be reported using discrete presentation. These organizations may not be blended.

Therefore, the Foundation has been presented as a discretely presented component unit in the College’s financial statements. Note disclosures pertinent to the Foundation’s financial information are contained in the notes to these financial statements. The Foundation’s separately issued financial statements may be obtained by contacting the Foundation’s business office at 1200 Amburn Road, Texas City, TX 77591.

COLLEGE OF THE MAINLAND

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

August 31, 2012

Note 2 - Summary of Significant Accounting Policies

Reporting Guidelines

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

Tuition Discounting

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

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

Other Tuition Discounts - the College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition discounts. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The basic financial statements of the College have been prepared on the accrual basis of accounting 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.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Net Assets

The College's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt

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 Assets – Expendable

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

Unrestricted Net Assets

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. 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. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months, but less than one year at the time of purchase. Long-term investments have an original maturity of greater than one year at the time of acquisition.

COLLEGE OF THE MAINLAND

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

August 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Inventories

Inventories, consisting of consumable office supplies, physical plant supplies, and bookstore stock, are valued at the lower of cost or market under the "first-in, first-out" method. As of July 2011, the bookstore operations were outsourced whereby Texas Book Company purchased the majority of the bookstore inventory from the College.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College’s capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are charged to operating expense in the year in which the expense is incurred.

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

Buildings	50 years
Facilities and other improvements	20 years
Furniture, machinery, vehicles and other equipment	10 years
Telecommunications and peripheral equipment	5 years
Library books	15 years

Unearned Revenues

Tuition, fees, and other revenues received that are related to the period after August 31, 2012, are reported as unearned revenues. Thos amounts are as follows:

	<u>2012</u>	<u>2011</u>
Tuition and fees	\$ 3,165,735	\$ 2,985,825
Season tickets - Theater	54,852	62,708
Federal, state and local grants	2,202,963	1,568,418
Other	(18,742)	188,414
	<u>\$ 5,404,808</u>	<u>\$ 4,805,365</u>

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.

Application of Restricted and Unrestricted Resources

The College’s policy is to first apply an expense against restricted resources then toward unrestricted resources, when both restricted and unrestricted resources are available to pay an expense.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. As of July 2011, the operation of the bookstore is not performed by the College.

Reclassifications

Certain amounts for 2011 have been reclassified to conform to current year reporting requirements.

Note 3 - Authorized Investments

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

Note 4 - Deposits and Investments

At August 31, 2012 and 2011, the carrying amount of the College's deposits was \$1,773,969 and \$1,843,902, respectively, and total bank balances equaled \$2,535,614 and \$2,617,201. Bank balances of \$250,000 are covered by federal depository insurance, and \$2,285,614 and \$2,367,201 were covered by collateral pledged in the College's name for the years ended August 31, 2012 and 2011.

During the fiscal years 2012 and 2011, the College held investments in TexPool, a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the "Trust Company") to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of or obligations guaranteed by the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; commercial paper and fully collateralized direct repurchase agreements secured by U.S. Government agency securities and placed through a primary government securities dealer. The Trust Company was incorporated by the State Treasurer upon authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep and invests public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 4 - Deposits and Investments (continued)

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value.

Cash and Deposits as reported on Exhibit 1, Statement of Net Assets, consist of the items reported below:

	<u>2012</u>	<u>2011</u>
<i>Cash and Deposits:</i>		
Bank Deposits:		
Demand deposits	\$ 1,773,969	\$ 1,843,902
Cash on cash equivalents:		
Petty cash on hand and change funds	3,320	20,320
Total Cash and Deposits	<u>\$ 1,777,289</u>	<u>\$ 1,864,222</u>

Reconciliation of Deposits and Investments to Exhibit 1:

<u>Type of Security</u>	<u>Fair Value</u>	
	<u>2012</u>	<u>2011</u>
<i>Investments:</i>		
Government Investment Pools:		
Texpool	\$ 17,368,700	\$ 16,281,156
Total Investments	<u>17,368,700</u>	<u>16,281,156</u>
Total Cash and Deposits	<u>1,777,289</u>	<u>1,864,222</u>
Total Deposits and Investments	<u>\$ 19,145,989</u>	<u>\$ 18,145,378</u>
Cash and temporary investments (Exhibit 1):		
Cash and cash equivalents	\$ 15,322,578	\$ 15,615,198
Restricted cash and cash equivalents	3,823,411	2,530,180
Total Deposits and Investments	<u>\$ 19,145,989</u>	<u>\$ 18,145,378</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 4 - Deposits and Investments (continued)

As of August 31, 2012, the College had the following investments and maturities:

Investment Type:	<u>Fair Value</u>	<u>Credit Quality Rating</u>	<u>Percentage of Investments</u>
Local Government Investment Pools:			
Texpool	\$ 17,368,700	AAAm	100.0%
Total Local Government Investment Pools	<u>17,368,700</u>		<u>100.0%</u>
Total investments	<u><u>\$ 17,368,700</u></u>		<u><u>100.0%</u></u>

<i>Investments</i>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
Local Government Investment Pools:			
TexPool	\$ 17,368,700	100.0%	38
Total Local Government Investment Pools	<u>17,368,700</u>	<u>100.0%</u>	38
Total investments	<u><u>\$ 17,368,700</u></u>	<u><u>100.0%</u></u>	38

Interest Rate Risk

The College has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate changes.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of August 31, 2012, the College's investment in TexPool (a public funds investment pool) was rated AAAm by Standard and Poors.

Concentration of Credit Risk

The College places no limit on the amount that may be invested in any one issuer. One hundred percent (100%) of the College's investments was in Texpool as of August 31, 2012.

Custodial Credit Risk

The College's deposits are subject to custodial credit risk as \$2,285,614 of total deposits was uninsured but collateralized by securities held by the pledging financial institutions agent in the College's name. The College's deposits were fully collateralized at year-end and through-out the year.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 4 - Deposits and Investments (continued)

Investment income for 2012 and 2011 was as follows:

	<u>2012</u>	<u>2011</u>
Interest income	\$ 20,690	\$ 26,341
Total Investment Earnings	<u>\$ 20,690</u>	<u>\$ 26,341</u>

As of August 31, 2012 and 2011, cash and cash equivalents was restricted for the following purposes:

	<u>2012</u>	<u>2011</u>
Grants and awards	\$ 1,863,439	1,246,514
Loans to students	55,145	48,921
Payment of long-term debt and capital purchases/improvements	1,736,505	1,074,902
Student groups	168,322	159,843
Total restricted cash and cash equivalents	<u>\$ 3,823,411</u>	<u>\$ 2,530,180</u>

Note 5 - Disaggregation of Receivables and Payables Balances

Accounts receivable at August 31, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
Property taxes receivable	\$ 2,715,467	\$ 2,788,942
Allowance for uncollectible property taxes	(1,505,536)	(1,521,915)
Property taxes receivable, net	<u>1,209,931</u>	<u>1,267,027</u>
Tuition and fees receivable	3,429,251	2,952,388
Allowance for uncollectible tuition and fees	(448,070)	(370,706)
Tuition and fees receivable, net	<u>2,981,181</u>	<u>2,581,682</u>
Due from tax collector	23,279	-
Due from other governments for grant awards	588,531	496,508
Due from grantors for private awards	99,660	175,234
Other receivables	229,268	551,189
Total receivables, net	<u>\$ 5,131,850</u>	<u>\$ 5,071,640</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 5 - Disaggregation of Receivables and Payables Balances (continued)

Accrued liabilities at August 31, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
Accrued wages payable	\$ 158,281	\$ 109,308
Reserve for incurred but not reported worker's compensation benefits	159,065	401,799
Other accrued liabilities	11,202	42,288
Total accrued liabilities	<u>\$ 328,548</u>	<u>\$ 553,395</u>

Note 6 - Capital Assets

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

	<u>Balance 09/01/11</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance 08/31/12</u>
Not depreciated:				
Land	\$ 372,145	\$ -	\$ -	\$ 372,145
Construction in progress	133,879	737,795	(848,943)	22,731
Subtotal	<u>506,024</u>	<u>737,795</u>	<u>(848,943)</u>	<u>394,876</u>
Buildings and other capital assets:				
Buildings and building improvements	15,494,825	65,528		15,560,353
Improvements other than buildings	13,711,377	27,685	848,943	14,588,005
Total buildings and other real estate improvements	<u>29,206,202</u>	<u>93,213</u>	<u>848,943</u>	<u>30,148,358</u>
Furniture, equipment and vehicles	2,803,741	38,549	(26,631)	2,815,659
Telecommunication equipment	4,084,293	373,470	-	4,457,763
Library books	1,480,483	42,051	-	1,522,534
Total buildings and other capital assets	<u>37,574,719</u>	<u>547,283</u>	<u>822,312</u>	<u>38,944,314</u>
Accumulated depreciation:				
Buildings and building improvements	(11,160,382)	(311,207)		(11,471,589)
Improvements other than buildings	(7,318,581)	(673,265)	-	(7,991,846)
Total buildings and other real estate improvements	<u>(18,478,963)</u>	<u>(984,472)</u>	<u>-</u>	<u>(19,463,435)</u>
Furniture, equipment and vehicles	(1,778,108)	(183,420)	26,631	(1,934,897)
Telecommunication equipment	(3,393,155)	(294,964)	-	(3,688,119)
Library books	(1,207,142)	(46,117)	-	(1,253,259)
Total Accumulated depreciation	<u>(24,857,368)</u>	<u>(1,508,973)</u>	<u>26,631</u>	<u>(26,339,710)</u>
Net capital assets	<u>\$ 13,223,375</u>	<u>\$ (223,895)</u>	<u>\$ -</u>	<u>\$ 12,999,480</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 6 - Capital Assets

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

	Balance 09/01/10	Additions	Retirements and Transfers	Balance 08/31/11
Not depreciated:				
Land	\$ 372,145	\$ -	\$ -	\$ 372,145
Construction in progress	278,982	1,191,170	(1,336,273)	133,879
Subtotal	<u>651,127</u>	<u>1,191,170</u>	<u>(1,336,273)</u>	<u>506,024</u>
Buildings and other capital assets:				
Buildings and building improvements	15,340,036	154,789	-	15,494,825
Improvements other than buildings	12,301,504	73,600	1,336,273	13,711,377
Total buildings and other real estate improvements	<u>27,641,540</u>	<u>228,389</u>	<u>1,336,273</u>	<u>29,206,202</u>
Furniture, equipment and vehicles	2,545,637	297,310	(39,206)	2,803,741
Telecommunication equipment	3,894,588	189,705	-	4,084,293
Library books	1,431,865	48,618	-	1,480,483
Total buildings and other capital assets	<u>35,513,630</u>	<u>764,022</u>	<u>1,297,067</u>	<u>37,574,719</u>
Accumulated depreciation:				
Buildings and building improvements	(10,853,581)	(306,801)	-	(11,160,382)
Improvements other than buildings	(6,714,023)	(604,558)	-	(7,318,581)
Total buildings and other real estate improvements	<u>(17,567,604)</u>	<u>(911,359)</u>	<u>-</u>	<u>(18,478,963)</u>
Furniture, equipment and vehicles	(1,635,672)	(173,600)	31,164	(1,778,108)
Telecommunication equipment	(3,013,794)	(369,520)	(9,841)	(3,393,155)
Library books	(1,160,944)	(46,198)	-	(1,207,142)
Total Accumulated depreciation	<u>(23,378,014)</u>	<u>(1,500,677)</u>	<u>21,323</u>	<u>(24,857,368)</u>
Net capital assets	<u>\$ 12,786,743</u>	<u>\$ 454,515</u>	<u>\$ (17,883)</u>	<u>\$ 13,223,375</u>

Note 7 - Noncurrent Liabilities

Noncurrent liabilities activity for the year ended August 31, 2012, was as follows:

	Balance 09/01/11	Additions	Retirements	Balance 08/31/12	Current Portion
Bonds					
Revenue bonds	\$ 855,000	\$ -	\$ (275,000)	\$ 580,000	\$ 285,000
	<u>855,000</u>	<u>-</u>	<u>(275,000)</u>	<u>580,000</u>	<u>285,000</u>
Notes and capital leases					
Notes payable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities					
Compensated absences payable	1,114,206	218,379	(234,702)	1,097,883	309,187
Retirement incentive payable	2,599,223	-	(628,019)	1,971,204	628,019
Property tax refund payable	315,040	-	(105,013)	210,027	105,013
	<u>4,028,469</u>	<u>218,379</u>	<u>(967,734)</u>	<u>3,279,114</u>	<u>1,042,219</u>
Total noncurrent liabilities	<u>\$ 4,883,469</u>	<u>\$ 218,379</u>	<u>\$ (1,242,734)</u>	<u>\$ 3,859,114</u>	<u>\$ 1,327,219</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 7 - Noncurrent Liabilities (continued)

Noncurrent liabilities activity for the year ended August 31, 2011, was as follows:

	<u>Balance 09/01/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 08/31/11</u>	<u>Current Portion</u>
Bonds					
Revenue bonds	\$ 1,115,000	\$ -	\$ (260,000)	\$ 855,000	\$ 275,000
	<u>1,115,000</u>	<u>-</u>	<u>(260,000)</u>	<u>855,000</u>	<u>275,000</u>
Notes and capital leases					
Notes payable	6,708	-	(6,708)	-	-
	<u>6,708</u>	<u>-</u>	<u>(6,708)</u>	<u>-</u>	<u>-</u>
Other liabilities					
Compensated absences payable	1,389,865	150,501	(426,160)	1,114,206	255,525
Retirement incentive payable	2,234,751	838,364	(473,892)	2,599,223	628,019
Property tax refund payable	420,053	-	(105,013)	315,040	105,013
	<u>4,044,669</u>	<u>988,865</u>	<u>(1,005,065)</u>	<u>4,028,469</u>	<u>988,557</u>
Total noncurrent liabilities	<u>\$ 5,166,377</u>	<u>\$ 988,865</u>	<u>\$ (1,271,773)</u>	<u>\$ 4,883,469</u>	<u>\$ 1,263,557</u>

Bonds Payable

	<u>Revenue Bonds Series 2004</u>
Purpose:	To implement new administrative software and hardware, update existing infrastructure, and develop disaster recover solutions
Date issued:	08/01/04
Amount of original issue - all authorized bonds have been issued	\$2,500,000
Amounts outstanding, end of year	\$580,000
Interest rates	3.00% to 4.00%
Maturity dates serially, beginning/ending	May 1, 2005/2014
Interest payment dates	May 1/November 1
Source of revenue for debt service	Pledged revenues derived from a portion of tuition and certain fees collected

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 7 - Noncurrent Liabilities (continued)

For the 2004 Series Bonds, principal and interest are required to be paid from pledged revenues derived from a portion of tuition and a "Campus Enhancement Fee" for each student, as well as other fees collected.

Bonds payable are due in annual installments varying from \$275,000 to \$295,000, with interest rates from 3.0% to 4.0%, with the final installment due in 2014.

The revenue bond principal and interest expense requirements for the next five years and beyond are summarized below:

<u>Year Ending</u> <u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 285,000	\$ 23,200	\$ 308,200
2014	295,000	11,800	306,800
2015	-	-	-
	<u>\$ 580,000</u>	<u>\$ 35,000</u>	<u>\$ 615,000</u>

There are a number of limitations and restrictions contained in the revenue bond indentures. The College is in compliance with all significant limitations and restrictions at August 31, 2012.

Tax Refund Payable

During the year ended August 31, 2009, a lawsuit filed by one of the College's larger taxpayer was completed and the College was required to pay a tax refund in the amount of \$420,053 over a four year period beginning in December 2010. The annual payments are \$105,013 beginning December 10, 2010. The outstanding balance at August 31, 2012, was \$210,027.

Note 8 - Employees Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. The College of the Mainland contributes to the Teacher 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 can be obtained from www.trs.state.tx.us, under the TRS Publications heading.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 8 - Employees Retirement Plan (continued)

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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 2012, 2011, and 2010, and a state contribution rate of 6.0% for fiscal year 2012 (6.644% for 2011 and 2010).

Optional Retirement Plan

Plan Description. 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 and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.0% and 6.4%, respectively. The College contributes 8.5% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the College was \$1,040,750 and \$1,167,821 for the fiscal years ended August 31, 2012 and 2011, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all college employees was \$23,031,538 and \$24,780,161 fiscal years 2012 and 2011, respectively. The total payroll of employees covered by the Teacher Retirement System was \$15,419,131 and \$16,235,866 for fiscal years 2012 and 2011, respectively. The total payroll of employees covered by the Optional Retirement System was \$4,271,483 and \$4,379,822 for fiscal years 2012 and 2011, respectively.

Note 9 - 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.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 10 - Compensated Absences

Sick Leave - All full-time employees of the College earn one day of sick leave for each month of full-time service. Sick leave benefits are earned by permanent part-time classified personnel on a pro-rata basis. Once an employee has accumulated 90 days sick leave, the employee is eligible for one of the following options:

- a. Receive pay for unused sick leave in the then-current year equal to 50 percent of the computed salary up to a maximum of \$75 per day for sick leave accumulated over and above the 90 days.
- b. Continue to accumulate sick leave up to a maximum of 120 days after which time the employee shall be eligible to be paid for unused sick leave in the then current year equal to 50 percent of the computed salary up to a maximum of \$75 per day. The employee may choose at the close of any employment year to receive pay at the same rate for unused days accumulated over and above the 90 days aforementioned.

Upon termination or death, an employee or his estate shall be eligible to be paid for unused sick leave up to 120 days. The employee shall be paid at the rate of 50 percent of current computed salary up to a maximum of \$75 per day.

The College's sick leave payable at August 31, 2012 and 2011 was \$907,449 and \$912,953, respectively, and is included in accrued compensable absences on the statement of net assets.

The following is a summary of changes in accrued sick leave:

	<u>2012</u>	<u>2011</u>
Balance, September 1	\$ 912,953	\$ 915,169
Additions	112,131	150,501
Payments	(117,635)	(152,717)
Balance, August 31	<u>\$ 907,449</u>	<u>\$ 912,953</u>
Current	\$ 182,325	\$ 166,527
Noncurrent	725,124	746,426
	<u>\$ 907,449</u>	<u>\$ 912,953</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 10 - Compensated Absences (continued)

Vacation Leave - All full-time non-faculty personnel employed on a 12-month basis accumulate vacation time at the rate of one and two-third days per calendar month of service and are entitled to 20 working days of vacation per year. Part-time classified professional, non-teaching, benefit eligible employees are eligible for a pro-rata share of vacation. Personnel under contract for a period less than 12 months are governed by vacation periods listed in the official College catalog for that particular year.

All vacation must be taken by July 31 following the end of the fiscal year in which it was earned. Therefore, an employee can have no more than 120 hours of vacation accrued as of each fiscal year end.

The College's vacation leave payable at August 31, 2012 and 2011 was \$190,433 and \$201,253, respectively, and is included in accrued compensable absences on the balance sheet. The following is a summary of changes in vacation leave payable:

	<u>2012</u>	<u>2011</u>
Balance, September 1	\$ 201,253	\$ 474,696
Additions	106,247	-
Payments	<u>(117,067)</u>	<u>(273,443)</u>
Balance, August 31	<u>\$ 190,433</u>	<u>\$ 201,253</u>
Current	\$ 126,862	\$ 88,998
Noncurrent	<u>63,571</u>	<u>112,255</u>
	<u>\$ 190,433</u>	<u>\$ 201,253</u>

Note 11 - Pending Lawsuits and Claims

On August 31, 2012, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

Note 12 - Operating Lease Commitments and Rental Agreements

Commitments under operating lease agreements for facilities and equipment are cancelable at any time. The College is therefore not obligated for minimum future rental payments at August 31, 2012. Rental expenditures were paid only from unrestricted current funds during 2012 and 2011 and were \$711,610 and \$690,820, respectively.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 13 - Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Funds received, but not expended during the reporting period, are deferred. Revenues are recognized on Exhibit 2 as funds are actually expended. For federal and state contract and grant awards, funds expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements.

Note 14 - Self-Insured Plans

During the year ended August 31, 2011, the College participated in the TASB Risk Management Fund's (the Fund's) Property Casualty Program with coverage in Auto Liability, Auto Physical Damage, General Liability, Property, Sexual Misconduct Endorsement, and SP Legal Liability. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Casualty Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2012, the Fund anticipates the College has no additional liability beyond the contractual obligations for payment of contributions.

During the year ended August 31, 2012, the College provided unemployment compensation coverage to its employees 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 Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool members.

For the year ended August 31, 2012, the College participated with other governments to form a Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for the Texas Public Jr. and Community College Employee Benefits Consortium (the "Pool"). The agreement for formation of the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$200,000 for each insured event and \$5,000,000 in the aggregate.

The pooling agreement requires the Pool to be self-sustaining. The estimated range of losses to be borne by the College as of August 31, 2012 and 2011 amounted to \$159,066 and \$401,799, respectively.

The Texas Public Jr. and Community College Employee Benefits Consortium publishes its own financial report, which can be obtained from Claims Administrative Services, Inc.

COLLEGE OF THE MAINLAND

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

August 31, 2012

Note 15 - Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee ranged from \$438 to \$857 per month depending upon coverage elected by the employee for the year ended August 31, 2012 and \$413 to \$808 per month for 2011, and totaled \$1,223,164 for the year ended August 31, 2012 (\$2,457,933 for the year ended August 31, 2011). The cost of providing those benefits for 156 retirees cost \$1,067,319 for August 31, 2012 (benefits for 156 retirees cost \$880,060 for August 31, 2011). The cost of providing those benefits for 351 active employees was \$155,845 for August 31, 2012 (benefits for 376 employees cost \$1,577,872 for August 31, 2011).

Note 16 - Related Parties

The College of the Mainland Foundation is a nonprofit organization with the sole purpose of providing scholarships for College of the Mainland students. The College does not appoint a voting majority; it confirms appointments made by the Foundation board of directors which is not substantive in nature. The College does not fund nor is it obligated to pay debt related to the Foundation. The College does not approve or amend the Foundation's budget. However, the College does have the ability to significantly influence the policies of the Foundation. The Foundation solicits donations to provide scholarships.

Note 17 - Property 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 District.

	<u>2012</u>	<u>2011</u>
Assessed Valuation of the District:	\$ 11,320,096,000	\$ 11,065,664,927
Less: Exemptions	(2,320,747,000)	(2,238,912,000)
 Net Assessed Valuation of the District	 <u>\$ 8,999,349,000</u>	 <u>\$ 8,826,752,927</u>

	<u>2012</u>			<u>2011</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized Tax Rate per \$100 Valuation	\$ 0.600000	\$ 0.000000	\$ 0.600000	\$ 0.600000	\$ 0.000000	\$ 0.600000
 Assessed Tax Rate per \$100 Valuation	 \$ 0.225793	 \$ 0.000000	 \$ 0.225793	 \$ 0.233890	 \$ 0.000000	 \$ 0.233890

The maximum combined authorized tax rate approved by voters in the College district is \$0.60. No separate limit is imposed on the tax rate specifically for current operations or debt service. However, pursuant to Texas Education Code Section 130.122 *Junior College Districts - Tax Bonds and Maintenance Tax*, the debt service portion of the combined tax rate may not exceed \$0.50.

Taxes levied for the year ended August 31, 2012 and 2011 amounted to \$20,741,034 and \$20,523,483, 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.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 17 - Property Tax (continued)

Tax collections for the year ended August 31, 2012, were as follows:

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 20,313,791	\$ -	\$ 20,313,791
Delinquent taxes collected, net of refunds	403,085	-	403,085
Penalties and interest collected	248,000	-	248,000
Total collections	<u>\$ 20,964,876</u>	<u>\$ -</u>	<u>\$ 20,964,876</u>

Tax collections for the year ended August 31, 2011, were as follows:

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 20,073,267	\$ -	\$ 20,073,267
Delinquent taxes collected, net of refunds	384,227	-	384,227
Penalties and interest collected	287,773	-	287,773
Total collections	<u>\$ 20,745,267</u>	<u>\$ -</u>	<u>\$ 20,745,267</u>

Tax collections for the years ended August 31, 2012 and 2011 approximated 97.9% of the current year levy for 2012 and 97.8% for 2011. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

Note 18 - Retirement Incentive Packages

During fiscal years 2011 and 2010, the district offered retirement incentive packages in the amount of \$873,187 and \$1,953,066, respectively. As of August 31, 2012, the remaining liability for those retirement incentive packages is \$1,971,204 of which \$628,019 is considered current.

Retirement incentives payable were as follows as of August 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Balance, September 1	\$ 2,599,223	\$ 2,234,751
Additions	-	838,363
Payments	(628,019)	(473,891)
Balance, August 31	<u>\$ 1,971,204</u>	<u>\$ 2,599,223</u>

Retirement incentive payment requirements for the next five years are summarized below:

<u>Year Ending August 31,</u>	<u>Retirement Incentives</u>
2013	\$ 628,019
2014	628,019
2015	561,039
2016	154,128
	<u>\$ 1,971,204</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 19 - 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, 2012 and 2011.

Note 20 - Postemployment Benefits Other than Pensions

Plan Description. The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

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

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.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

The College's contributions to SRHP for the years ended August 31, 2012, 2011, and 2010 were \$83,239, \$141,476 and \$35,879 respectively, which equaled the required contributions each year.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 21 – Disclosures Related to Discretely Presented Component Units

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

The College of the Mainland Foundation (the Foundation) was established in 1972 as a separate 501(c)(3) tax exempt organization to provide funding for student and college needs. The mission of the Foundation is to support and encourage educational excellence through the College of the Mainland (the College). The Foundation seeks to heighten community awareness of the mission and accomplishments of the College and to facilitate the creation of a student-centered learning community dedicated to excellence in education.

The Foundation provides student scholarships to the College's students based on financial need or academic merit.

Financial Statement Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Foundation's resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets – These are net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – These are net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation, and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – These are net assets that are required to be maintained in perpetuity with only the income to be used for operating activities due to donor-imposed restrictions.

Fair Value Considerations

The Foundation uses fair value to measure financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs-Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The Foundation did not elect the fair value option for the measurement of any eligible assets or liabilities.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 21 – Disclosures Related to Discretely Presented Component Units (continued)

Note 1 – Organization and Summary of Significant Accounting Policies – continued

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less at date of purchase to be cash equivalents.

Contributions Receivable and Promises to Give

Contributions receivable are amounts recorded from unconditional promises to give by third parties. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Conditional promises to give are recorded as refundable advances when received, and are recognized as revenue when the conditions have been met.

If contributions receivable become doubtful of collection, allowances are made to the extent the amounts are determined to be doubtful, and are charged to expense. If doubtful amounts are subsequently determined to be uncollectible, they are written off against allowances in the period determined. As of August 31, 2012 and 2011, allowance for doubtful accounts totaled \$51,972 and \$37,522, respectively.

Investments and Investment Return

Investments are recorded at fair value. Investment return includes interest, dividends, capital gain distributions and realized and unrealized gains and losses. Investment return is reported in the statements of activities and changes in net assets as a change in unrestricted net assets unless the use of the income is limited by donor imposed restrictions. Investment return whose use is restricted by the donor is reported as a change in temporarily restricted net assets until expended in accordance with donor imposed restrictions.

Contributions and Donated Services

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

The Foundation recognizes donated services at their fair market value in the period received if the services received create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Foundation receives donated services from unpaid volunteers who assist with program services and fundraising. The value of the contributed time is not reflected in the accompanying financial statements because it does not require a specialized skill or create or enhance a nonfinancial asset.

The College performs various administrative functions on behalf of the Foundation. The value of these services is recorded as in-kind revenue in the statements of activities (see Note 6).

Federal Income Taxes

The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation accounts for uncertain tax positions, when it is more likely than not, that such an asset or liability will be realized. As of August 31, 2012, management believes there were no uncertain tax positions.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 21 – Disclosures Related to Discretely Presented Component Units (continued)

Note 1 – Organization and Summary of Significant Accounting Policies – continued

Use of Estimates

The Foundation uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used. Estimates that have the most impact on financial position and results of operations primarily relate to collectability of receivables and the fair value of investments. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through the date the financial statements were available for issuance on December 7, 2012. No matters were identified affecting the accompanying financial statements or related disclosures.

Note 2 – Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value three tier hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity.

The Foundation utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Investments in corporate stocks, money market funds, and government and corporate bonds that are currently traded in active markets are classified as Level 1.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 21 – Disclosures Related to Discretely Presented Component Units (continued)

Note 2 – Fair Value Measurements – continued

The value of assets and liabilities measured at fair value on a recurring basis is as follows:

	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1)	(Level 2)	(Level 3)
August 31, 2012			
Corporate stocks	\$ 19,270	\$ -	\$ -
Fixed Income Funds	569,174	-	-
Equity Mutual Funds	710,565	-	-
Corporate Bonds	527,043	-	-
	<hr/>	<hr/>	<hr/>
Total	\$ 1,826,052	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
August 31, 2011			
Corporate stocks	\$ 16,954	\$ -	\$ -
Fixed Income Funds	571,995	-	-
Equity Mutual Funds	667,289	-	-
Corporate Bonds	549,900	-	-
	<hr/>	<hr/>	<hr/>
Total	\$ 1,806,138	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The following summarizes the investment return in the statement of activities:

	2012	2011
Dividends and Interest Income	\$ 66,544	\$ 69,593
Net: Realized and Unrealized Gains (Losses)	67,036	34,671
	<hr/>	<hr/>
Total Investment Loss	\$ 133,580	\$ 104,264
	<hr/> <hr/>	<hr/> <hr/>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 21 – Disclosures Related to Discretely Presented Component Units (continued)

Note 2 – Fair Value Measurements – continued

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

The Foundation’s remaining financial instruments (primarily cash and cash equivalents, receivables, investments and payables) are carried in the financial statements at amounts that reasonably approximate fair value.

Note 3 – Contributions Receivable

Contributions are due to be collected as follows at August 31:

	<u>2012</u>	<u>2011</u>
Less than One Year	\$ 45,142	\$ 45,647
One to Five Years	<u>40,000</u>	<u>40,000</u>
Total Contributions Receivable	85,142	85,647
Less: Unamortized Discount to Net Present Value At 5.34%	(2,940)	(4,819)
Less: Allowance of Doubtful Amounts	<u>(51,972)</u>	<u>(37,522)</u>
Contributions Receivable, Net	<u>\$ 30,230</u>	<u>\$ 43,306</u>

Note 4 – Temporary Restrictions On Net Assets

Temporarily restricted net assets include the following at August 31:

	<u>2012</u>	<u>2011</u>
Scholarships	\$ 355,961	\$ 484,993
Accumulated Undistributed Earnings on Endowments	<u>515,434</u>	<u>475,058</u>
Total	<u>\$ 871,395</u>	<u>\$ 960,051</u>

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 21 – Disclosures Related to Discretely Presented Component Units (continued)

Note 5 – Endowment

The Foundation has donor-restricted endowment funds which are maintained in accordance with explicit donor stipulations. The Foundation is subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) which has been enacted by the state of Texas. The Board has interpreted TUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA.

In accordance with TUPMIFA, the Foundation considers the following factors in making determination to distribute accumulated donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies and objectives of the Foundation

The Foundation has not adopted an investment and spending policies specific to endowment assets. However, the assets are managed in a manner that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment as well as capital appreciation, which exceeds the annual distributions with acceptable levels of risk. Endowment assets are investment in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions as needed, while growing the funds if possible. There is not an established expectation of an average rate of return. Investment risk is measured in terms of total endowment funds; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. At August 31, 2012 and 2011, the endowments funds were held and managed by Bank of America, N.A.

The Foundation has not adopted a policy of appropriating periodic distributions. However, the objective is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

The endowment funds consist of a multitude of named endowments. The principal balance of the permanently restricted endowments will remain in perpetuity and all earnings will be distributed as scholarships.

COLLEGE OF THE MAINLAND
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
August 31, 2012

Note 5 – Endowment – continued

Changes in endowment net assets are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, August 31, 2010	\$ 427,669	\$ 1,110,436	\$ 1,538,105
Contributions	-	31,800	31,800
Investment Return:			
Investment income	47,389	-	47,389
Net Appreciation (Depreciation) of Investments	-	39,309	39,309
Amounts Appropriated for Expenditures	-	-	-
Endowment net assets, August 31, 2011	475,058	1,181,545	1,656,603
Contributions	-	-	
Investment Return:			
Investment income	40,376	-	40,376
Net Appreciation (Depreciation) of Investments	-	54,782	54,782
Amounts Appropriated for Expenditures	-	-	-
Endowment net assets, August 31, 2012	<u>\$ 515,434</u>	<u>\$ 1,236,327</u>	<u>\$ 1,751,761</u>

Note 6 – Related Party Transactions

The College provides office space to the Foundation at no cost. In addition, the Foundation's payroll expenses, all employee benefits, and certain supplies are paid for by the College. The Foundation does not reimburse the College for these costs. As such, in-kind revenue and expense are recorded in the statement of activities for these costs. For the years ended August 31, 2012 and 2011, in-kind revenue and expense totaled \$154,657 and \$144,508, respectively.

All student scholarship expenditures are disbursed to the College. These expenses totaled \$308,289 and \$139,235 for the years ended August 31, 2012 and 2011, respectively.

As discussed in Note 1, the Foundation operates as a separate organization for the purpose of assisting in and contributing to the academic and physical growth and development of the College. Presently, two (2) Directors of the Foundation Board serve by virtue of their status as a Trustee of the College. In addition, the College President serves as a Director of the Foundation. These positions are non-voting.

Note 7 – Concentration Of Credit Risk

The Foundation maintains its cash balances in two financial institutions. At various times during the years, the Foundation may have bank deposits significantly in excess of FDIC insurance limits. Management believes the credit risk is low due to the overall financial strength of the financial institutions.

SUPPLEMENTAL SCHEDULES

COLLEGE OF THE MAINLAND
SCHEDULE OF OPERATING REVENUES

Schedule A

For the Year Ended August 31, 2012

With Memorandum Totals for the Year Ended August 31, 2011

	Educational Activities			Auxiliary Enterprises	Total	
	Unrestricted	Restricted	Total		Current Year	Prior Year
Tuition						
State funded credit courses:						
In-district resident tuition	\$ 2,678,149	\$ -	\$ 2,678,149	\$ -	\$ 2,678,149	\$ 2,497,248
Out-of-district resident tuition	1,576,311	-	1,576,311	-	1,576,311	1,419,889
Non-resident tuition	139,671	-	139,671	-	139,671	145,813
TPEG- credit (set aside)*	201,837	-	201,837	-	201,837	211,813
State funded continuing education:						
TPEG- noncredit (set aside)*	514,777	-	514,777	-	514,777	693,167
Non-state funded educational programs	426,198	-	426,198	-	426,198	184,744
Total tuition	5,569,801	-	5,569,801	-	5,569,801	5,196,919
Fees						
Campus fees	176,834	-	176,834	-	176,834	187,851
Facility fees	875,258	-	875,258	-	875,258	170,907
Laboratory fees	72,170	-	72,170	-	72,170	68,971
Processing fees	579,947	-	579,947	-	579,947	401,609
Student service fees	-	-	-	169,512	169,512	108,906
Other fees	642,807	-	642,807	-	642,807	274,707
Total fees	2,347,016	-	2,347,016	169,512	2,516,528	1,212,951
Scholarship allowances and discounts						
Remissions and exemptions - state	(81,160)	-	(81,160)	-	(81,160)	(36,368)
Remissions and exemptions - local	(776,507)	-	(776,507)	-	(776,507)	(417,107)
Title IV federal grants remissions	(3,291,345)	-	(3,291,345)	-	(3,291,345)	(2,337,424)
TPEG awards	(235,925)	-	(235,925)	-	(235,925)	(196,722)
Total scholarship allowances and discounts	(4,384,937)	-	(4,384,937)	-	(4,384,937)	(2,987,621)
Total net tuition and fees	3,531,880	-	3,531,880	169,512	3,701,392	3,422,249
Additional operating revenues						
Federal grants and contracts	102,764	8,249,441	8,352,205	15,772	8,367,977	7,810,066
State grants and contracts	9,142	546,432	555,574	-	555,574	555,872
Local grants and contracts	-	10,000	10,000	-	10,000	-
Private grants and contracts	-	1,481,311	1,481,311	-	1,481,311	2,288,962
Sales and services of educational activities	23,727	-	23,727	-	23,727	25,221
General operating revenues	184,227	3,760	187,987	-	187,987	237,545
Total additional operating revenues	319,860	10,290,944	10,610,804	15,772	10,626,576	10,917,666
Auxiliary Enterprises						
Bookstore	-	-	-	60,192	60,192	1,190,671
Other auxiliary	-	-	-	411,998	411,998	205,072
Total net auxiliary	-	-	-	472,190	472,190	1,395,743
Total operating revenues	\$ 3,851,740	\$ 10,290,944	\$ 14,142,684	\$ 657,474	\$ 14,800,158	\$ 15,735,658
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$234,695 and \$256,058 of tuition was set aside for Texas Public Education Grants (TPEG) for the current and prior year, respectively.

COLLEGE OF THE MAINLAND
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011

Schedule B

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other expenses	Current Year	Prior year
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 10,259,830	\$ -	\$ 2,204,220	\$ 764,423	\$ 13,228,473	\$ 13,484,612
Public service	658,622	-	264,299	126,418	1,049,339	1,146,192
Academic support	1,935,220	-	516,786	247,839	2,699,845	2,876,730
Student services	2,647,853	-	694,918	273,999	3,616,770	3,280,808
Institutional support	3,309,234	-	818,721	2,803,164	6,931,119	6,867,874
Operation and maintenance of plant	1,032,492	-	46,288	2,942,291	4,021,071	4,210,472
Total Unrestricted Educational Activities	19,843,251	-	4,545,232	7,158,134	31,546,617	31,866,688
Restricted - Educational Activities						
Instruction	1,060,201	1,103,933	174,631	378,017	2,716,783	3,502,569
Public service	657,953	133,603	21,135	231,082	1,043,772	1,249,364
Academic support	175,244	261,235	41,325	10,572	488,376	660,939
Student services	340,232	351,280	55,569	225,808	972,889	1,202,307
Institutional support	-	413,863	65,469	-	479,332	758,942
Operation and maintenance of plant	-	-	-	240,043	240,043	-
Scholarships and fellowships	112,072	-	-	6,726,657	6,838,729	6,212,203
Total Restricted Educational Activities	2,345,702	2,263,914	358,129	7,812,179	12,779,924	13,586,324
Total Educational Activities	22,188,953	2,263,914	4,903,361	14,970,313	44,326,541	45,453,012
Auxiliary Enterprises	144,581	-	7,776	142,857	295,214	1,790,852
Depreciation Expense:						
Buildings and other real estate improvements	-	-	-	984,472	984,472	911,359
Equipment and furniture	-	-	-	478,384	478,384	541,627
Library books	-	-	-	46,117	46,117	47,691
Total Depreciation Expense	-	-	-	1,508,973	1,508,973	1,500,677
Total Operating Expenses	\$ 22,333,534	\$ 2,263,914	\$ 4,911,137	\$ 16,622,143	\$ 46,130,728	\$ 48,744,541
					(Exhibit 2)	(Exhibit 2)

COLLEGE OF THE MAINLAND
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011

Schedule C

	Unrestricted	Restricted	Total	Auxiliary enterprises	Total	
					Current Year	Prior Year
Non-operating revenues						
State appropriations:						
Academic appropriation	\$ 3,554,174	\$ -	\$ 3,554,174	\$ -	\$ 3,554,174	\$ 3,351,761
Workforce appropriation	2,474,617	-	2,474,617	-	2,474,617	2,234,508
Alternative Teacher Certification	-	-	-	-	-	48,912
Enrollment growth	-	-	-	-	-	13,030
Hold harmless	-	-	-	-	-	294,014
State group insurance		1,223,164	1,223,164	-	1,223,164	2,457,932
State retirement matching		1,040,750	1,040,750	-	1,040,750	1,167,821
Total state appropriations	6,028,791	2,263,914	8,292,705	-	8,292,705	9,567,978
Maintenance ad valorem taxes	20,772,062	-	20,772,062	-	20,772,062	20,556,458
Federal revenue, non-operating	3,291,345	-	3,291,345	-	3,291,345	2,337,424
Investment income	19,842	723	20,565	125	20,690	26,340
Foreign trade zone fees	792,856	-	792,856	-	792,856	735,893
Fees collected for renewals and replacements	-	875,258	875,258	-	875,258	170,907
Fees collected for debt retirement	-	308,863	308,863	-	308,863	303,288
Other non-operating revenues	-	-	-	-	-	114,496
Total non-operating revenues	30,904,896	3,448,758	34,353,654	125	34,353,779	33,812,784
Non-operating expenses						
Interest and fees on capital related debt	1,925	7,871	9,796	-	9,796	50,632
Fees transferred for renewals and replacements	875,258	-	875,258	-	875,258	170,907
Fees transferred for debt retirement	308,863	-	308,863	-	308,863	303,288
Total non-operating expenses	1,186,046	7,871	1,193,917	-	1,193,917	524,827
Net non-operating revenues (expenses)	\$ 29,718,850	\$ 3,440,887	\$ 33,159,737	\$ 125	\$ 33,159,862	\$ 33,287,957
					(Exhibit 2)	(Exhibit 2)

COLLEGE OF THE MAINLAND
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2012

Schedule D

	Detail by Source				Available for Current	
	Capital Assets				Yes	No
	Unrestricted	Restricted Expendable	Net of Depreciation & Related Debt	Total		
Current:						
Unrestricted	\$ 9,146,727	\$ -	\$ -	\$ 9,146,727	\$ 9,146,727	\$ -
Grants and donor restrictions	-	406,416	-	406,416	406,416	-
Auxiliary enterprises	1,479,266	-	-	1,479,266	1,479,266	-
Loan funds		96,877	-	96,877	-	96,877
Plant:						
Renewals and replacements	-	1,048,927	-	1,048,927	-	1,048,927
Debt service	-	708,857	-	708,857	-	708,857
Investment in plant	-	-	13,900,509	13,900,509	-	13,900,509
Total Net Assets, end of year	10,625,993	2,261,077	13,900,509	26,787,579 (Exhibit 1)	11,032,409	15,755,170
Total Net Assets, beginning of year	11,061,084	1,573,013	12,324,190	24,958,287 (Exhibit 1)	11,456,283	13,502,004
Net increase (decrease) in net assets	<u>\$ (435,091)</u>	<u>\$ 688,064</u>	<u>\$ 1,576,319</u>	<u>\$ 1,829,292</u> (Exhibit 2)	<u>\$ (423,874)</u>	<u>\$ 2,253,166</u>

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**OVERALL COMPLIANCE, INTERNAL CONTROLS
AND FEDERAL AND STATE AWARDS SECTION**

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**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***

To the Board of Trustees
College of the Mainland
Texas City, Texas

We have audited the financial statements of College of the Mainland (the “College”) as of and for the year ended August 31, 2012, and have issued our report thereon dated December 7, 2012. Our report includes reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Public Funds Investment Act (Sec. 2256, Texas Government Code). Other auditors audited the financial statements of the College of the Mainland Foundation. The financial statements of the College of the Mainland Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College of the Mainland’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College of the Mainland’s internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We have performed tests designed to verify College of the Mainland's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2012, no instances of noncompliance were found.

This report is intended solely for the information and use of the Board of Trustees, the audit committee, administration, others within the organization and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Whitley Penn LLP

Texas City, Texas

December 7, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB
CIRCULAR A-133***

To the Board of Trustees
College of the Mainland
Texas City, Texas

Compliance

We have audited College of the Mainland's (the "College") 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, 2012. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2012.

Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, the audit committee, administration, others within the organization and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Whitley Penn LLP

Texas City, Texas
December 7, 2012

COLLEGE OF THE MAINLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2012

August 31, 2012

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? No

 Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditors' report issued on compliance with major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) 2-7 OMB Circular A-133? None

Identification of major programs:

Name of Federal Program or Cluster	CFDA Numbers
US Department of Education	
Student Financial Assistance Programs Cluster:	
Supplemental Education Opportunity Grant	84.007
Federal College Work-Study Program	84.033
Federal Pell Grant	84.063
Federal Direct Loan Program	84.268
Adult Education – Basic Grants to States	84.002

Dollar Threshold Considered Between Type A and B:	\$300,000
Auditee qualified as low risk auditee?	Yes

COLLEGE OF THE MAINLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2012

II. Financial Statement Findings

There were no items reported.

III. Federal Award Findings and Questioned Costs

There were no items reported.

IV. Status of Prior-Year Findings

#11-01 - Description: Part-Time On-Call Pay Scales

Corrective Action Taken: Resolved:

As a result of personnel changes in Human Resources a management decision was made to continue using the Board approved Part Time On Call pay scale that was in effect August 31, 2011. Analyses of all part time on-call employee hourly rates were compared to the Board approved pay scale. This identified the part time on call employees whose hourly rates did not agree with the pay scale. All employees that were out of compliance with the pay scale were corrected. To verify that all part time employees were in compliance with the pay scale a report was generated to show that the complete population of part time on call employees were on the pay scale. June, July and August 2012 were confirmed with 100 percent compliance.

On October 22, 2012 the Board approved a new part time on call pay scale that will be implemented on January 1, 2013.

#11-02 - Description: Personnel Action Forms and Time Sheets

Corrective Action Taken: Resolved: The Personnel Action Form was revised to include a section for acknowledgement and approval of corrections including all required approval signatures. Timesheets were revised to include a space for the employee and supervisor to acknowledge and approve changes.

#11-03 - Description: Financial System Access Rights

Corrective Action Taken: Resolved: Information Technology has developed a report identifying every employee that has login access to the financial software with their associated access rights. The report is organized by department and individuals within a department. A master report is sent to the President and division report is sent to the Vice Presidents the first week of every month for review and approval. After review, the report is returned to IT with approval and/or changes that should be made.

V. Corrective Action Plan

There were no items reported.

**COLLEGE OF THE MAINLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012**

Schedule E

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. Department of Agriculture			
Pass-Through From:			
<i>Texas Department of Agriculture USDA Food Program</i>	10.558	75-G4005	\$ 15,772
Total Department of Agriculture			<u>15,772</u>
U.S. Department of Labor			
Pass-Through From:			
<i>Texas Workforce Commission WIA-Dislocated Workers</i>	17.260	2812ATP000	12,304
<i>Texas Workforce Commission via San Jacinto Community College: CBJTG</i>	17.269	DOL531708002	158,865
<i>Lee Community College: CBJTG</i>	17.269	CB182260960A48	37,822
Total Department of Labor			<u>208,991</u>
Environmental Protection Agency			
U.S. Department of Education			
Direct Programs:			
<i>Student Financial Aid Cluster Supplemental Educational Opportunity Grant</i>	84.007	P007A113984	105,753
<i>Federal College Work Study Program</i>	84.033	P033A113984	109,070
<i>Federal Pell Grant</i>	84.063	P063P112888	5,018,165
<i>Direct Loans</i>	84.268	P268K122888	1,392,379
TRIO Cluster			
<i>TRIO - Student Support Services</i>	84.042A	P042A100067-11	215,144
<i>TRIO - Student Support Services - Upward Bound</i>	84.047	P047A070057-11	263,452
 <i>Fund for the Improvement of Postsecondary Education</i>	 84.116	 P116N10012	 10,037
Pass-Through From:			
<i>Texas Education Agency: Adult Education and Family Literacy</i>	84.002A	124100017110391	\$ 711,365
<i>Adult Education English Literacy & Civics Ed.</i>	84.002A	124100087110431	112,503
<i>Texas Higher Education Coordinating Board: Carl Perkins Vocational Education</i>	84.048	124237	158,110
Total Department of Education			<u>8,095,978</u>
U.S. Department of Health and Human Services			
Pass-Through From:			
<i>Texas Education Agency: Temporary Assistance for Needy Families</i>	93.558	123625017110366	47,236
Total Department of Health and Human Services			<u>47,236</u>
Total Expenditures of Federal Awards			<u>\$ 8,367,977</u>

* Clustered programs under OMB Circular A-133.

COLLEGE OF THE MAINLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Federal Assistance Reconciliation

Federal Grants and Contracts revenue - Per Schedule A	
Federal Grants and Contracts revenue - Per Schedule A	\$ 8,367,977
Add Federal Grants and Contracts not reported on Schedule A	<u>-</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 8,367,977</u>

Note 2 - Significant accounting policies used in preparing the schedule

The expenditures included in Schedule E are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported on Schedule E represent funds that have been expended by the College for the purposes of the award. The expenditures reported on Schedule E may not have been reimbursed by the funding agencies as of the end of the fiscal year. 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

N/A

Note 4 - Student Loans Processed and Administrative Costs Recovered

N/A

Note 5 - Nonmonetary federal assistance received

N/A

Note 6 - Amounts passed through by the College

N/A

STATISTICAL SUPPLEMENT

COLLEGE OF THE MAINLAND

Statistical Supplement 1
Net Assets by Component
Fiscal years 2003 to 2012
(unaudited)

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$ 13,900,509	\$ 12,324,190	\$ 11,219,258	\$ 10,741,222	\$ 10,998,155	\$ 7,821,726	\$ 8,444,473	\$ 7,289,156	\$ 8,958,509	\$ 11,307,517
Restricted - expendable	2,261,077	1,573,013	1,164,927	1,091,418	1,026,983	1,092,266	1,546,439	2,237,329	3,477,110	73,310
Unrestricted	10,625,993	11,061,084	12,295,028	16,263,854	14,986,601	15,519,328	11,480,214	10,328,816	6,204,258	5,333,987
Total primary government net assets	<u>\$ 26,787,579</u>	<u>\$ 24,958,287</u>	<u>\$ 24,679,213</u>	<u>\$ 28,096,494</u>	<u>\$ 27,011,739</u>	<u>\$ 24,433,320</u>	<u>\$ 21,471,126</u>	<u>\$ 19,855,301</u>	<u>\$ 18,639,877</u>	<u>\$ 16,714,814</u>

COLLEGE OF THE MAINLAND

Statistical Supplement 2

Revenues by Source

Fiscal years 2003 to 2012

(unaudited)

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	\$ 3,701	\$ 3,422	\$ 3,813	\$ 3,822	\$ 4,318	\$ 3,691	\$ 4,443	\$ 4,362	\$ 3,769	\$ 2,492
Governmental grants and contracts:										
Federal grants and contracts	8,368	7,810	6,589	5,238	5,842	5,269	6,455	6,122	5,105	4,259
State grants and contracts	556	556	562	304	326	292	349	308	388	511
Private grants and contracts	1,481	2,289	1,966	1,878	1,527	1,144	774	179	474	682
Local grants and contracts	10	-	1	5	-	5	-	-	-	-
Sales and services of education activities	24	25	137	129	123	173	149	156	237	104
Auxiliary enterprises	472	1,396	1,865	1,830	1,718	1,619	2,105	1,509	1,631	1,092
Other operating revenues	188	238	89	226	19	59	142	189	268	350
Total operating revenues	14,800	15,736	15,022	13,432	13,873	12,252	14,417	12,825	11,872	9,490
State appropriations	8,293	10,515	9,728	9,838	9,575	9,384	9,231	8,445	8,404	8,509
Ad valorem taxes	20,772	20,556	18,898	21,367	20,887	19,799	17,978	16,623	15,036	12,572
Federal revenue, non-operating	3,291	2,337	1,780	1,125	873	1,339	1,163	1,267	816	683
Foreign trade zone fees	793	736	376	804	534	634	365	247	454	277
Investment income	21	26	36	151	484	678	537	295	149	255
Other non-operating revenues	-	114	379	804	534	635	532	(1)	189	-
Total non-operating revenues	33,170	34,284	31,197	34,089	32,887	32,469	29,806	26,876	25,048	22,296
Total revenues	\$ 47,970	\$ 50,020	\$ 46,219	\$ 47,521	\$ 46,760	\$ 44,721	\$ 44,223	\$ 39,701	\$ 36,920	\$ 31,786
Tuition and fees (net of discounts)	7.72%	6.84%	8.25%	8.04%	9.23%	8.25%	10.05%	10.99%	10.21%	7.84%
Governmental grants and contracts:										
Federal grants and contracts	17.44%	15.61%	14.26%	11.02%	12.49%	11.78%	14.60%	15.42%	13.83%	13.40%
State grants and contracts	1.16%	1.11%	1.22%	0.64%	0.70%	0.65%	0.79%	0.78%	1.05%	1.61%
Private grants and contracts	3.09%	4.58%	4.25%	3.95%	3.27%	2.56%	1.75%	0.45%	1.28%	2.15%
Local grants and contracts	0.02%	0.00%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Sales and services of education activities	0.05%	0.05%	0.30%	0.27%	0.26%	0.39%	0.34%	0.39%	0.64%	0.33%
Auxiliary enterprises	0.98%	2.79%	4.04%	3.85%	3.67%	3.62%	4.76%	3.80%	4.42%	3.44%
Other operating revenues	0.39%	0.48%	0.19%	0.48%	0.04%	0.13%	0.32%	0.48%	0.73%	1.10%
Total operating revenues	30.85%	31.46%	32.50%	28.27%	29.67%	27.40%	32.60%	32.30%	32.16%	29.86%
State appropriations	17.29%	21.02%	21.05%	20.70%	20.48%	20.98%	20.87%	21.27%	22.76%	26.77%
Ad valorem taxes	43.30%	41.10%	40.89%	44.98%	44.70%	44.37%	40.71%	41.98%	41.01%	39.84%
Federal revenue, non-operating	6.86%	4.61%	3.85%	2.37%	1.87%	2.99%	2.63%	3.19%	2.21%	2.15%
Foreign trade zone fees	1.65%	1.53%	0.81%	1.68%	1.11%	1.32%	0.76%	0.51%	0.95%	0.58%
Investment income	0.04%	0.05%	0.08%	0.32%	1.04%	1.52%	1.21%	0.74%	0.40%	0.80%
Other non-operating revenues	0.00%	0.23%	0.82%	1.69%	1.14%	1.42%	1.20%	0.00%	0.51%	0.00%
Total non-operating revenues	69.15%	68.54%	67.50%	71.74%	70.33%	72.61%	67.39%	67.70%	67.84%	70.14%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

COLLEGE OF THE MAINLAND

Statistical Supplement 3

Program Expenses by Function

Fiscal years 2003 to 2012

(unaudited)

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$ 15,945	\$ 16,469	\$ 15,954	\$ 14,893	\$ 14,341	\$ 13,095	\$ 12,318	\$ 10,877	\$ 9,531	\$ 9,414
Public service	2,093	3,434	3,932	3,589	3,791	3,979	3,812	2,930	6,002	5,195
Academic support	3,188	3,651	4,297	4,319	3,982	4,290	4,254	4,195	1,381	1,316
Student services	4,590	4,616	4,603	4,543	4,339	4,229	4,168	4,038	2,173	2,142
Institutional support	7,410	7,807	7,866	7,224	7,421	6,469	5,980	5,429	6,057	5,341
Operation and maintenance of plant	4,261	4,210	4,751	4,933	3,716	3,371	3,421	3,632	4,000	3,844
Scholarships and fellowships	6,839	6,212	4,374	2,618	2,717	2,085	4,017	3,348	2,618	2,248
Auxiliary enterprises	295	1,791	1,933	1,846	1,667	1,989	2,063	1,957	1,918	1,418
Depreciation	1,509	1,501	1,493	1,548	1,562	1,470	1,352	969	956	940
Total operating expenses	46,131	49,691	49,203	45,513	43,536	40,977	41,385	37,375	34,636	31,858
Interest on capital related debt	10	51	59	74	110	116	149	185	182	178
Other non-operating expenses		-	-	45	-	68	130	180	95	-
Total non-operating expenses	10	51	59	119	110	184	279	365	277	178
Total expenses	\$ 46,141	\$ 49,742	\$ 49,262	\$ 45,632	\$ 43,646	\$ 41,161	\$ 41,664	\$ 37,740	\$ 34,913	\$ 32,036
Instruction	34.56%	33.11%	32.39%	32.64%	32.86%	31.81%	29.57%	28.82%	27.30%	29.39%
Public service	4.54%	6.90%	7.98%	7.87%	8.69%	9.67%	9.15%	7.76%	17.19%	16.22%
Academic support	6.91%	7.34%	8.72%	9.46%	9.12%	10.42%	10.21%	11.12%	3.96%	4.11%
Student services	9.95%	9.28%	9.34%	9.96%	9.94%	10.27%	10.00%	10.70%	6.22%	6.69%
Institutional support	16.06%	15.69%	15.97%	15.83%	17.00%	15.72%	14.35%	14.39%	17.35%	16.67%
Operation and maintenance of plant	9.24%	8.46%	9.64%	10.81%	8.51%	8.19%	8.21%	9.62%	11.46%	12.00%
Scholarships and fellowships	14.82%	12.49%	8.88%	5.74%	6.23%	5.07%	9.64%	8.87%	7.50%	7.02%
Auxiliary enterprises	0.64%	3.60%	3.92%	4.05%	3.82%	4.83%	4.95%	5.19%	5.49%	4.43%
Depreciation	3.27%	3.02%	3.03%	3.39%	3.58%	3.57%	3.25%	2.57%	2.74%	2.93%
Total operating expenses	99.98%	99.90%	99.88%	99.74%	99.75%	99.55%	99.33%	99.03%	99.21%	99.44%
Interest on capital related debt	0.02%	0.10%	0.12%	0.16%	0.25%	0.28%	0.36%	0.49%	0.52%	0.56%
Other non-operating expenses	0.00%	0.00%	0.00%	0.10%	0.00%	0.17%	0.31%	0.48%	0.27%	0.00%
Total non-operating expenses	0.02%	0.10%	0.12%	0.26%	0.25%	0.45%	0.67%	0.97%	0.79%	0.56%
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

COLLEGE OF THE MAINLAND
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration	In-District Tuition	Out-of-District Tuition	Technology Fees	Student Activity Fees	Facility Use Fee	Campus Fee	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
	Fee (per student)										
2012	45	40	75	30	24.00 / SCH	90.00	18.00	687.00	1,107.00	36.44%	28.20%
2011	30	35	65	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	503.50	863.50	5.01%	0.00%
2010	30	33	65	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	479.50	863.50	0.00%	0.00%
2009	30	33	65	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	479.50	863.50	5.27%	0.00%
2008	30	31	65	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	455.50	863.50	0.00%	0.00%
2007	30	31	65	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	455.50	863.50	5.56%	4.35%
2006	30	29	62	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	431.50	827.50	9.10%	4.55%
2005	30	26	59	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	395.50	791.50	6.46%	4.77%
2004	30	24	56	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	371.50	755.50	10.73%	10.53%
2003	30	22	51	-	0.50 / SCH	1.50 / SCH	1.50 / SCH	335.50	683.50	26.37%	38.50%

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

Source: College of the Mainland catalog

Non-Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration	Non-Resident Tuition	Non-Resident Tuition	Technology Fees	Student Activity Fees	Facility Use Fee	Campus Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
	Fee (per student)	Out-of-State	International								
2012	45	115	115	30.00	24 SCH	90.00	18.00	1,587.00	1,587.00	8.44%	8.44%
2011	30	115	115	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,463.50	1,463.50	8.01%	8.01%
2010	30	106	106	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,355.00	1,355.00	0.00%	0.00%
2009	30	106	106	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,355.00	1,355.00	8.62%	8.62%
2008	30	97	97	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,247.50	1,247.50	0.00%	0.00%
2007	30	97	97	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,247.50	1,247.50	2.97%	2.97%
2006	30	94	94	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,211.50	1,211.50	5.21%	5.21%
2005	30	89	89	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,151.50	1,151.50	5.50%	5.50%
2004	30	84	84	-	1.50 / SCH	1.50 / SCH	1.50 / SCH	1,091.50	1,091.50	9.97%	9.97%
2003	30	76.75	76.75	-	0.50 / SCH	1.50 / SCH	1.50 / SCH	992.50	992.50	26.37%	38.50%

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

Source: College of the Mainland catalog

COLLEGE OF THE MAINLAND
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Academic 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 and Operations (a)	Debt Service (a)	Total (a)
2011-12	11,320,096	2,320,747	8,999,350	79.50%	0.225793	-	0.225793
2010-11	11,065,665	2,238,912	8,826,753	79.77%	0.233890	-	0.233890
2009-10	11,158,147	2,008,350	9,149,797	82.00%	0.221640	-	0.221640
2008-09	12,041,578	2,015,335	10,026,243	83.26%	0.221640	-	0.221640
2007-08	10,773,628	1,645,943	9,127,685	84.72%	0.227380	-	0.227380
2006-07	10,585,712	1,602,227	8,983,485	84.86%	0.233450	-	0.233450
2005-06	8,448,755	1,057,033	7,391,722	87.49%	0.243020	-	0.243020
2004-05	7,697,695	995,858	6,701,837	87.06%	0.245250	-	0.245280
2003-04	6,825,486	844,787	5,980,699	87.62%	0.263060	-	0.263060
2002-03	6,474,099	792,036	5,682,063	87.77%	0.231870	-	0.231870

Source: Local Appraisal District - Supplement 7 (for 2011-2012 Supp 6)

Notes: Property is assessed at full market value

(a) per \$100 Taxable Assessed Valuation

COLLEGE OF THE MAINLAND
Statistical Supplement 6
State Appropriations per FTSE and Contact Hour
Last Ten Academic Years
(unaudited)

Fiscal Year	State Appropriations	FTSE (a)	State Appropriations per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriations per Contact Hour
2011-12	6,028,791	10,020	602	1,221,680	418,000	1,639,680	4
2010-11	5,880,281	10,508	560	1,376,216	584,184	1,960,400	3
2009-10	6,051,336	10,061	601	1,311,504	561,432	1,872,936	3
2008-09	6,357,064	8,855	718	1,146,192	446,488	1,592,680	4
2007-08	6,357,062	8,437	753	1,112,824	436,856	1,549,680	4
2006-07	6,357,061	8,336	763	1,159,936	425,314	1,585,250	4
2005-06	6,358,376	8,984	708	1,260,144	409,421	1,669,565	4
2004-05	6,141,547	9,834	625	1,346,056	436,354	1,782,410	3
2003-04	6,168,089	9,630	641	1,314,528	365,241	1,679,769	4
2002-03	6,001,707	9,006	666	1,225,048	410,659	1,635,707	4
2001-02	6,424,027	8,260	778	1,105,774	370,202	1,475,976	4
2000-01	6,461,360	7,498	862	1,003,496	441,104	1,444,600	4

Source for FTSE: CBM001 (FTSE is calculated by dividing total semester credit hours by 12 for fall and spring and dividing total semester credit hours by 4 for the summer sessions)

COLLEGE OF THE MAINLAND
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV)										
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Amoco Oil Company	Refinery											
Amoco Texas Refinery Co.	Refinery											
B.A.S.F. Corp	Refinery	37,891,343			57,266,220	47,261,230	48,050,820	62,944,950	60,217,690	28,182,920	40,510,230	
BP Alternative Energy	Energy	329,000,000	38,500,000	54,600,000	48,930,000							
BP Amoco Chemical Co.	Chemical Plant	164,333,920	156,054,350	113,991,500	156,628,230		157,694,070	115,789,500	116,689,750	184,770,250	157,487,829	
BP Products (NA) Inc.	Refinery	1,501,444,400	1,433,406,920	1,384,162,860	1,614,861,020	1,789,363,580	1,395,742,784	1,285,559,550	1,096,830,450	795,538,460	644,300,880	
Calpine Central LP	Co-generation Plant		26,901,270	26,270,440	26,371,930	26,379,600	26,631,200	26,779,280	55,339,310	64,760,470	71,642,310	
Centerpoint Energy Inc.	Energy	40,098,300	39,627,030	40,272,490	39,659,930	41,190,490	41,279,030	44,611,060	47,320,960	46,609,910	44,067,590	
CHCA Clear Lake LP	Healthcare		26,340,670									
Dow Chemical Company	Chemical Plant											47,797,890
Eastman Chemical Texas City, Inc.	Chemical Plant	51,430,590										
Expro Engineering	Engineering											
Gruy Petroleum Mgmt Co.	Refinery								20,085,470			
GTE Southwest Inc.	Telephone	27,859,080	26,532,460	27,146,780	27,146,780	29,161,260	27,272,500	30,629,490	30,632,550	21,177,780	21,031,850	
Houston Refining LP	Refinery			45,454,710		51,855,660						
Hunt Hassie Exploration Co.	Oil & Gas Exploration							21,798,455			19,250,940	
Ineos Styrenics	Chemical Plant		38,650,860	38,540,080	37,823,880	72,640,210	71,733,490	57,185,690				
Innovene LLC	Chemical Plant								88,783,390			
ISP Technologies Inc.	Chemical Plant	82,137,740	66,949,790	65,271,480	68,325,860	73,742,970	77,920,620	75,442,710	51,047,810	46,827,270	47,693,200	
Komatsu America Corp	Manufacturer of Industrial Equipment	38,431,839										
League City Towne Center, LTD	Development				21,237,070							
Lyondell-Citgo Refining LP	Refinery								25,089,670	35,118,110		
Mainland Partner LLC	Healthcare						23,000,000	21,299,510	21,000,000	23,499,990	22,685,360	
Marathon Petroleum LLC	Refinery	225,230,680	178,597,431	129,179,300	165,896,498	165,910,648	153,029,740	114,061,464	124,282,559	110,753,850	85,524,300	
MHCB (USA) Leasing and Finance	Finance Company					153,746,670				240,000,000	32,861,200	
Monsanto	Chemical Plant					88,038,180						
National Onshore LP	Oil & Gas Exploration					54,477,301	64,897,530	38,633,980				
Oil Tanking	Petroleum Storage	29,243,950	27,189,670	27,596,530	25,562,500	31,324,020						
Praxair Hydrogen Supply Inc.	Gas Production	30,191,231	31,210,110	31,571,250	33,037,150	33,767,220	34,479,770	35,519,120	35,156,650	34,008,020	33,749,900	
Praxair Inc.	Gas Production	159,135,043	160,286,940	163,725,260	171,709,470	197,696,500	169,437,210	132,785,620	104,274,000	78,830,860	46,366,230	
Reliant Energy	Energy											
Seaway Pipeline Co.	Pipeline											
South Houston Green Power LP	Energy	178,245,350	176,233,690	141,357,090	130,000,000	360,516,630	289,147,190	281,684,910	111,081,430	119,028,140	67,423,690	
Southwestern Bell Telephone Co	Telephone											
Sterling Chemicals Inc.	Chemical Plant		44,968,620	49,579,680	55,408,640		130,365,530	155,096,891	177,361,440	174,791,980	197,820,050	
Styrolutian America LLC	Chemical Plant	47,616,403										
Texas City Cogeneration LP	Co-generation Plant											
Texas City Terminal Railway Co.	Railway	29,243,950	29,371,980	28,947,579	26,445,050		26,271,466	26,271,466	26,449,880	26,143,050	26,153,740	
Texas Genco II LP	Natural Gas										29,807,150	
Texas New Mexico Power Co.	Energy	50,499,830	47,042,490	46,138,610	42,801,710	42,780,450	49,071,220	50,093,290	44,629,450	47,229,960	43,151,690	
Transtexas Gas Corporation	Natural Gas									30,058,690		
Union Carbide Corp.	Chemical Plant	249,931,495	219,396,035	222,133,860	258,253,361	351,643,166	333,732,211	324,324,430	275,301,650	323,858,720	289,066,050	
Valero Marketing & Supply Co.	Petroleum Sales	103,130,850	52,137,380	137,871,480		49,945,010						
Valero Refining - Texas LP	Refinery	580,719,090	563,156,260	547,375,970	737,214,130	789,303,970	776,776,680	668,505,350	452,393,770	211,919,380	226,593,580	
Totals		3,955,815,084	3,382,553,956	3,321,186,949	3,744,579,429	4,450,744,765	3,918,331,516	3,572,307,931	2,973,996,319	2,627,240,640	2,175,734,719	
Total	Total Assessed Taxable Value	9,341,179,053	9,008,364,038	8,851,052,354	9,162,563,286	9,696,961,580	8,983,485,664	8,493,632,826	7,391,722,614	6,701,837,219	5,980,698,779	

Taxpayer	Type of Business	Taxable Assessed Value (TAV)										
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Amoco Oil Company	Refinery											
Amoco Texas Refinery Co.	Refinery											
B.A.S.F. Corp	Refinery	0.41%			0.63%	0.49%	0.53%	0.74%	0.81%	0.42%	0.68%	
BP Alternative Energy	Energy	3.52%	0.43%	0.62%	0.53%							
BP Amoco Chemical Co.	Chemical Plant	1.76%	1.73%	1.29%	1.71%			1.36%	1.58%	2.76%	2.63%	
BP Products (NA) Inc.	Refinery	16.07%	15.91%	15.64%	17.62%	18.45%	15.54%	15.14%	14.84%	11.87%	10.77%	
Calpine Central LP	Co-generation Plant		0.30%	0.30%	0.29%	0.27%	0.30%	0.32%	0.75%	0.97%	1.20%	
Centerpoint Energy Inc.	Energy	0.43%	0.44%	0.46%	0.43%	0.42%	0.46%	0.53%	0.64%	0.70%	0.74%	
CHCA Clear Lake LP	Healthcare											
Dow Chemical Company	Chemical Plant											0.80%
Expro Engineering	Engineering											
Gruy Petroleum Mgmt Co.	Refinery								0.27%			
GTE Southwest Inc.	Telephone	0.30%	0.29%	0.31%	0.30%	0.30%	0.30%	0.36%	0.41%	0.32%	0.35%	
Houston Refining LP	Refinery			0.51%		0.53%						
Hunt Hassie Exploration Co.	Oil & Gas Exploration						0.24%			0.29%		
Ineos Styrenics	Chemical Plant		0.43%	0.44%	0.41%	0.75%	0.80%	0.67%				
Innovene LLC	Chemical Plant								1.20%			
ISP Technologies Inc.	Chemical Plant	0.88%	0.74%	0.74%	0.75%	0.76%	0.87%	0.89%	0.69%	0.70%	0.80%	
League City Towne Center, LTD	Development				0.23%							
Lyondell-Citgo Refining LP	Refinery							0.30%	0.48%			
Mainland Partner LLP	Healthcare						0.26%	0.25%	0.28%	0.35%	0.38%	
Marathon Ashland Petroleum LLC	Refinery	2.41%	1.98%	1.46%	1.81%	1.71%	1.70%	1.34%	1.68%	1.65%	1.43%	
MHCB (USA) Leasing and Finance	Finance Company					1.59%				3.58%	0.55%	
Monsanto	Chemical Plant					0.91%						
National Onshore LP	Oil & Gas Exploration					0.56%	0.72%	0.45%				
Oil Tanking	Petroleum Storage	0.31%	0.30%	0.31%	0.28%	0.32%						
Praxair Hydrogen Supply Inc.	Gas Production	0.32%	0.35%	0.36%	0.36%	0.35%	0.38%	0.42%	0.48%	0.51%	0.56%	
Praxair Inc.	Gas Production	1.70%	1.78%	1.85%	1.87%	2.04%	1.89%	1.56%	1.41%	1.18%	0.78%	
Reliant Energy	Energy											
Seaway Pipeline Co.	Pipeline											
South Houston Green Power LP	Energy	1.91%	1.96%	1.60%	1.42%	3.72%	3.22%	3.32%	1.50%	1.78%	1.13%	
Southwestern Bell Telephone Co	Telephone											
Sterling Chemicals Inc.	Chemical Plant		0.50%	0.56%	0.60%		1.45%	1.83%	2.40%	2.61%	3.31%	
Texas City Cogeneration LP	Co-generation Plant											
Texas City Terminal Railway Co.	Railway	0.31%	0.33%	0.33%	0.29%		0.29%	0.31%	0.36%	0.39%	0.44%	
Texas Genco II LP	Natural Gas										0.50%	
Texas New Mexico Power Co.	Energy	0.54%	0.52%	0.52%	0.47%	0.44%	0.55%	0.59%	0.60%	0.70%	0.72%	
Transtexas Gas Corporation	Natural Gas									0.45%		
Union Carbide Corp.	Chemical Plant	2.68%	2.44%	2.51%	2.82%	3.63%	3.71%	3.82%	3.72%	4.83%	4.83%	
Valero Refining - Texas LP	Refinery	1.10%	0.58%	1.56%		0.52%		7.87%	6.12%	3.16%	3.79%	
Valero Marketing & Supply Co.	Petroleum Sales	6.22%	6.25%	6.18%	8.05%	8.14%	8.65%					
	Totals	40.88%	37.26%	37.52%	40.87%	45.90%	43.62%	42.06%	40.23%	39.20%	36.38%	

COLLEGE OF THE MAINLAND
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)

Fiscal Year Ended August 31	Levy	Cumulative Levy		Adjusted Levy (b)	Collections Year of Levy c	Percentage	Prior Collections of Prior Levies		Current Collections of Prior Levies		Total Collections (c+d+e)	Cummulative Collections of Adjusted Levy
		(a)	Adjustments				(d)	(e)				
2012	20,782,647	41,613		20,741,034	20,313,790	97.9%	-	-	-	-	20,313,790	97.9%
2011	20,293,145	230,338		20,523,483	20,073,267	97.8%	207,672	205,526			20,073,267	97.8%
2010	20,315,886	182,778		20,498,664	19,742,023	96.3%	80,542	74,779			20,155,221	98.3%
2009	21,387,842	(539,553)		20,848,289	21,207,192	101.7%	38,695	39,019			21,362,513	102.5%
2008	20,321,060	(347,764)		19,973,296	19,804,906	99.2%	22,448	29,065			19,882,620	99.5%
2007	19,736,777	(369,977)		19,366,800	18,922,497	97.7%	13,379	20,027			18,974,010	98.0%
2006	17,901,679	208		17,901,887	17,363,310	97.0%	7,959	9,009			17,396,716	97.2%
2005	16,455,479	491		16,455,970	15,480,398	94.1%	7,959	5,446			15,497,366	94.2%
2004	15,763,553	(604)		15,762,949	15,207,960	96.5%	5,350	3,650			15,221,365	96.6%
2003	14,072,767	(436)		14,072,331	13,392,757	95.2%	2,735	1,694			13,401,757	95.2%

COLLEGE OF THE MAINLAND
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Bonded Debt										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	-	-	-	-	-	-	-	-	-	-
Other Debt										
Revenue bonds	580,000	855,000	1,115,000	1,365,000	1,825,000	2,255,000	2,670,000	3,530,000	4,375,000	2,460,000
Notes	-	-	6,708	34,864	59,592	83,156	190,040	262,975	436,947	601,843
Capital lease obligations	-	-	-	-	18,903	36,012	53,402	10,593	15,832	20,723
Total Outstanding Debt	580,000	855,000	1,121,708	1,399,864	1,903,495	2,374,168	2,913,442	3,803,568	4,827,779	3,082,566
General bonded debt ratios										
Per Capita	-	-	-	-	-	-	-	-	-	-
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total Outstanding Debt Ratios										
Per Capita	n/a	\$ 3.80	\$ 5.04	\$ 6.41	\$ 8.68	\$ 11.01	\$ 13.51	\$ 18.21	\$ 23.55	\$ 15.29
Per FTSE	57.88	81.37	111.49	158.09	225.61	284.81	324.29	386.78	501.33	15.29
As a percentage of Taxable Assessed Value	0.06	9.686%	12.259%	13.962%	20.854%	26.428%	39.415%	56.754%	80.723%	54.251%

n/a: not available

COLLEGE OF THE MAINLAND
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	Amounts Expressed in 000s									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 9,341,179	\$ 9,162,563	9,149,797	10,026,043	\$ 9,127,685	\$ 8,983,485	\$ 7,391,722	\$ 6,701,837	\$ 5,980,699	\$ 5,682,063
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	46,706	45,813	45,749	50,130	45,638	44,917	36,959	33,509	29,903	28,410
Less Funds Reserved for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	-	-	-	-	-	-	-	-	-	-
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service Current Requirements	-	-	-	-	-	-	-	-	-	-
Net Current Requirements as a % of Statutory Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

COLLEGE OF THE MAINLAND
Statistical Supplement 11
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Pledged Revenues (\$000 omitted)				
Fiscal Year Ended	Tuition	Continuing Education Fees	Interest Income	Total
August 31				
2012	120	330	2	452
2011	120	330	2	452
2010	115	350	2	467
2009	115	500	2	617
2008	135	500	2	637
2007	124	400	2	526
2006	135	975	2	1,112
2005	139	1,240	2	1,381

Debt Service Requirements (\$000 omitted)			
Principal	Interest	Total	Coverage Ratio
275	34	309	1.46
260	43	302	1.50
250	51	301	1.55
240	59	299	2.06
230	66	296	2.15
220	74	294	1.79
215	81	296	3.76
845	67	297	4.65

COLLEGE OF THE MAINLAND
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment	County Population	County Personal Income (thousands of dollars)	County Personal Income Per Capita	County Unemployment
2011	224,768	n/a	n/a	9.3	295,747	n/a	n/a	9.3
2010	222,455	9,507,870	42,741	9.2	292,704	12,510,355	42,741	9.2
2009	218,445	9,176,947	42,010	8.2	287,428	12,074,930	42,010	8.2
2008	219,369	9,227,682	42,065	5.8	288,643	12,141,687	42,065	5.8
2007	215,665	9,227,682	38,553	4.6	283,770	11,333,994	39,941	4.6
2006	212,178	8,613,835	36,284	5.0	279,182	10,365,561	37,128	5.0
2005	208,853	7,154,557	33,146	5.7	274,806	9,413,891	34,256	5.7
2004	205,018	6,636,964	32,055	6.9	269,760	8,732,847	32,373	6.9
2003	201,604	6,385,398	31,313	7.2	265,269	8,401,839	31,673	7.2
2002	197,673	6,138,438	30,537	6.6	260,096	8,076,892	31,054	6.6

Note: District population and personal income provided through a percentage (76%) of county-level data.
District personal income per capita and unemployment were not adjusted from county rates.

Sources:

Population and personal income from U.S. Bureau of Economic Analysis.*

Unemployment from U.S. Bureau of Labor Statistics.

**2011 population from U.S. Census Bureau*

n/a: not available

COLLEGE OF THE MAINLAND
Statistical Supplement 13
Principal Employers (Industry Sector)
Current Fiscal Year

Employer	Galveston County Employment (2011)	Percent Change from Previous Year
Government	29,224	-1%
Trade, transportation, and utilities	21,620	2%
Leisure and hospitality	17,194	4%
Financial activities	15,942	5%
Professional and business services	14,025	7%
Education and health services	12,081	2%
Construction	9,362	-5%
Other services	8,097	2%
Manufacturing	7,625	1%
Agriculture, natural resources, and mining	2,859	6%
Information	1,013	-3%

Source: EMSI <http://www.economicmodeling.com/>

COLLEGE OF THE MAINLAND
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Years as of November 1

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Faculty (Count)									
Full-Time	114	109	105	100	106	111	92	89	85
Part-Time	155	102	137	105	109	115	121	128	112
Total	269	211	242	205	215	226	213	217	197
Faculty (Percent)									
Full-Time	42%	52%	43%	49%	49%	49%	43%	41%	43%
Part-Time	58%	48%	57%	51%	51%	51%	57%	59%	57%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Staff and Administrators (Count)									
Full-Time	228	241	255	271	265	248	240	215	228
Part-Time	26	19	25	21	20	23	28	227	151
Total	254	260	280	292	285	271	268	442	379
Staff (Percent)									
Full-Time	90%	93%	91%	93%	93%	92%	90%	49%	60%
Part-Time	10%	7%	9%	7%	7%	8%	10%	51%	40%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: IPEDS

COLLEGE OF THE MAINLAND
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years

Student Classification

	Fall 2012*		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<30 hours	949	20.7%	1,516	29.7%	1,190	21.8%	1,619	32.6%	1,215	28.3%	1,028	23.3%
30-72 hours	481	10.5%	869	17.0%	422	7.7%	662	13.3%	798	18.6%	796	18.0%
> 72 hours	2,389	52.1%	1,590	31.1%	2,572	47.0%	1,478	29.8%	1,375	32.0%	1,561	35.3%
Previously earned associate	194	4.2%	193	3.8%	168	3.1%	157	3.2%	173	4.0%	136	3.1%
Previously earned baccalaureate or above	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
CE (Non-credit)	574	12.5%	940	18.4%	1,115	20.4%	1,052	21.2%	733	17.1%	895	20.3%
Total	4,587	100.0%	5,108	100.0%	5,467	100.0%	4,968	100.0%	4,294	100.0%	4,416	100.0%

Semester Hour Load (Credit Only)

	Fall 2012*		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	24	0.6%	15	0.4%	23	0.5%	33	0.8%	34	1.0%	38	1.1%
3-5 semester hours	810	20.2%	826	19.8%	956	22.0%	820	20.9%	733	20.6%	739	21.0%
6-8 semester hours	1,337	33.3%	1,362	32.7%	1,307	30.0%	1,129	28.8%	1,106	31.1%	1,108	31.5%
9-11 semester hours	773	19.3%	763	18.3%	765	17.6%	702	17.9%	595	16.7%	577	16.4%
12-14 semester hours	915	22.8%	1,020	24.5%	1,109	25.5%	1,025	26.2%	912	25.6%	882	25.0%
15-17 semester hours	142	3.5%	167	4.0%	182	4.2%	186	4.7%	165	4.6%	144	4.1%
18 and over	12	0.3%	15	0.4%	10	0.2%	21	0.5%	16	0.4%	33	0.9%
Total	4,013	100.0%	4,168	100.0%	4,352	100.0%	3,916	100.0%	3,561	100.0%	3,521	100.0%

Tuition Status (Credit Only)

	Fall 2012*		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In-District	2,922	72.8%	3,024	72.6%	3,206	73.7%	2,992	76.4%	2,706	76.0%	2,751	78.1%
Out-of-District	1,048	26.1%	1,073	25.7%	1,079	24.8%	873	22.3%	827	23.2%	755	21.4%
Nonresident	43	1.1%	41	1.0%	41	0.9%	36	0.9%	7	0.2%	15	0.4%
Exempt	0	0.0%	30	0.7%	26	0.6%	15	0.4%	21	0.6%	0	0.0%
Total	4,013	100.0%	4,168	100.0%	4,352	100.0%	3,916	100.0%	3,561	100.0%	3,521	100.0%

Source: CBM001 and CBM00A

*Fall 2012 data are preliminary as the state reports have not yet been certified. Please note the non-credit data may be an under-estimate as students may still enroll in CE courses.

COLLEGE OF THE MAINLAND
Statistical Supplement 16
Student Profile
Last Five Fiscal Years

CREDIT STUDENTS

Ethnicity	Fall 2012*		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,108	52.5%	2,165	51.9%	2,318	53.3%	2,120	54.1%	2,017	56.6%	2,013	57.2%
Black	616	15.4%	730	17.5%	726	16.7%	717	18.3%	676	19.0%	625	17.8%
Hispanic	1,046	26.1%	980	23.5%	955	21.9%	763	19.5%	707	19.9%	711	20.2%
Asian/Pacific Islander	141	3.5%	154	3.7%	136	3.1%	112	2.9%	89	2.5%	78	2.2%
Multi-racial	25	0.6%	15	0.4%	28	0.6%	0	0.0%	0	0.0%	0	0.0%
Other	77	1.9%	124	3.0%	189	4.3%	204	5.2%	72	2.0%	94	2.7%
Total	4,013	100%	4,168	100%	4,352	100.0%	3,916	100.0%	3,561	100.0%	3,521	100.0%
Gender												
Female	2,358	58.9%	2,512	60.3%	2,592	59.6%	2,391	61.1%	2,141	60.1%	2,161	61.4%
Male	1,643	41.1%	1,656	39.6%	1,760	40.4%	1,525	38.9%	1,420	39.9%	1,360	38.6%
Total	4,001	100%	4,168	99.9%	4,352	100.0%	3,916	100.0%	3,561	100.0%	3,521	100.0%

Source: CBM001

NON-CREDIT STUDENTS

Ethnicity	Fall 2012*		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	256	44.6%	407	43.3%	540	48.4%	477	45.3%	397	54.2%	492	55.0%
Black	112	19.5%	180	19.1%	174	15.6%	131	12.5%	109	14.9%	157	17.6%
Hispanic	117	20.4%	180	19.1%	197	17.7%	189	18.0%	143	19.5%	185	20.7%
Asian/Pacific Islander	15	2.6%	21	2.2%	16	1.4%	24	2.3%	26	3.5%	15	1.7%
Multi-racial	2	0.3%	0	0.0%	3	0.3%	5	0.5%	3	0.4%	6	0.7%
Other	72	12.5%	152	16.2%	185	16.6%	226	21.5%	55	7.5%	39	4.4%
Total	574	100%	940	100%	1,115	100.0%	1,052	100.0%	733	100.0%	894	100.0%
Gender												
Female	289	50.3%	429	45.6%	458	41.1%	433	41.2%	261	35.6%	369	41.2%
Male	285	49.7%	511	54.4%	657	58.9%	619	58.8%	472	64.4%	526	58.8%
Total	574	100%	940	100.0%	1,115	100.0%	1,052	100.0%	733	100.0%	895	100.0%

Source: CBM00A

* Fall 2012 numbers are preliminary and have not been certified.

COLLEGE OF THE MAINLAND
Statistical Supplement 17
Transfers to Senior Institutions
2010–2011 Graduates, Completers, and Non-Returners as of Fall 2011
(Includes only public senior colleges in Texas)

Rank	Institution	Transfer Student Count - Academic	Transfer Student Count - Technical	Transfer Student Count - Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1	University of Houston - Clear Lake	148	23	2	173	25.74%
2	University of Houston	62	25	0	87	12.95%
3	Texas A&M University	48	15	1	64	9.52%
4	Texas State University - San Marcos	28	14	1	43	6.40%
5	Sam Houston State University	21	13	1	35	5.21%
6	The University of Texas at Austin	25	8	0	33	4.91%
7	Stephen F. Austin State University	21	12	0	33	4.91%
8	The University of Texas at San Antonio	19	10	0	29	4.32%
9	Texas A&M University at Galveston	19	6	1	26	3.87%
10	Texas Tech University	12	6	1	19	2.83%
11	Texas Southern University	10	8	0	18	2.68%
12	Lamar University	11	0	0	11	1.64%
13	Prairie View A&M University	6	4	0	10	1.49%
14	University of North Texas	6	4	0	10	1.49%
15	The University of Texas at Arlington	3	6	0	9	1.34%
16	University of Houston - Downtown	6	2	0	8	1.19%
17	The University of Texas at Dallas	6	0	0	6	0.89%
18	Texas A&M University - Corpus Christi	4	0	0	4	0.60%
19	Lamar University	0	3	1	4	0.60%
20	Texas Woman's University	2	1	0	3	0.45%
21	West Texas A&M University	2	0	1	3	0.45%
22	Texas A&M University - Kingsville	1	2	0	3	0.45%
23	Texas A&M University - Commerce	2	0	0	2	0.30%
24	Tarleton State University	1	1	0	2	0.30%
25	The University of Texas at El Paso	1	1	0	2	0.30%
26	The University of Texas at Tyler	1	1	0	2	0.30%
27	Midwestern State University	1	0	0	1	0.15%
28	Sul Ross State University	1	0	0	1	0.15%
29	The University of Texas at Brownsville	1	0	0	1	0.15%
Subtotal - Universities		468	165	9	642	95.54%
Health Science Institutions						
1	The University of Texas Medical Branch at Galveston	11	10	0	21	3.13%
2	Texas Tech University Health Sciences Center	2	3	0	5	0.74%
3	The University of Texas Health Science Center at Houston	3	1	0	4	0.60%
Subtotal – Health Science Institutions		16	14	0	30	4.46%
Total		484	179	9	672	

Source: THECB - Automated Student and Adult Learner Follow-Up System

COLLEGE OF THE MAINLAND
Statistical Supplement 18
Capital Asset Information
Fiscal Year 2006 to 2012
(unaudited)

	Fiscal Year						
	2012	2011	2010	2009	2008	2007	2006
Academic Buildings	12	12	12	12	12	12	12
Square footage	282,202	282,202	282,202	282,202	282,202	282,202	264,026
Libraries (incl. in Acad. Bldgs)							
Square footage	14120	14120	14120	14120	14120	14120	14120
Number of Volumes	50000	50000	50000	50000	50000	50000	50000
Administrative and Support buildings	5	5	5	5	5	5	5
Square footage	35603	35603	35603	35603	35603	35603	33963
Dining Facilities (incl. in Acad. Bldgs)							
Square footage	5420	5420	5420	5420	5420	5420	5420
Average daily customers	150	150	150	150	150	150	150
Athletic Facilities	2	2	2	2	2	2	2
Square footage	58678	58678	58678	58678	58678	58678	58678
Gymnasiums	1	1	1	1	1	1	1
Fitness Center (included in Gym)							
Swimming Pool (included in Gym)							
Racquetball Court	1	1	1	1	1	1	1
Plant Facilities	1	1	1	1	1	1	1
Square footage	2773	2773	2773	2773	2773	2773	2773
Transportation							
Cars	3	3	3	4	4	4	4
Light Trucks/Vans	14	14	17	13	13	13	12

OTHER SUPPLEMENTAL SCHEDULES

COLLEGE OF THE MAINLAND
BALANCE SHEET
For the Year Ended August 31, 2012

Schedule S-1

	Unrestricted	Restricted	Total Educational and General	Auxiliary	Total Current Funds	Loan	Plant	Agency	Totals
Assets									
Cash and cash equivalents	\$ 13,836,753	\$ -	\$ 13,836,753	\$ 1,485,825	\$ 15,322,578	\$ -	\$ -	\$ -	\$ 15,322,578
Accounts receivable (net)	4,271,507	797,132	5,068,639	63,211	5,131,850	-	-	-	5,131,850
Loans receivable (net)	-	-	-	-	-	41,732	-	2,184	43,916
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid expenses	347,058	1,015	348,073	-	348,073	-	-	-	348,073
Restricted cash and cash equivalents	-	1,863,439	1,863,439	-	1,863,439	55,145	1,736,505	168,322	3,823,411
Deferred charges	-	-	-	-	-	-	2,863	-	2,863
Inventories for resale	-	-	-	-	-	-	-	-	-
Capital assets	-	-	-	-	-	-	12,999,480	-	12,999,480
Total Assets	\$ 18,455,318	\$ 2,661,586	\$ 21,116,904	\$ 1,549,036	\$ 22,665,940	\$ 96,877	\$ 14,738,848	\$ 170,506	\$ 37,672,171
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	1,111,584	4,635	1,116,219	4,292	1,120,511	-	-	-	1,120,511
Accrued liabilities	270,882	46,465	317,347	-	317,347	-	11,201	-	328,548
Due to other funds	-	223	223	-	223	-	-	-	223
Deferred revenues	4,203,285	2,202,963	6,406,248	65,478	6,471,726	-	-	-	6,471,726
Compensated absences and retirement incentive payable	937,206	-	937,206	-	937,206	-	2,131,881	-	3,069,087
Bonds payable - short-term	-	-	-	-	-	-	285,000	-	285,000
Bonds payable - long-term	-	-	-	-	-	-	295,000	-	295,000
Other debt payable - current	-	-	-	-	-	-	105,013	-	105,013
Other debt payable - long-term	-	-	-	-	-	-	105,014	-	105,014
Funds held for others	-	-	-	-	-	-	-	170,506	170,506
Total Liabilities	6,522,957	2,254,286	8,777,243	69,770	8,847,013	-	2,933,109	170,506	11,950,628
Fund Balance	11,932,361	407,300	12,339,661	1,479,266	13,818,927	96,877	11,805,739	-	25,721,543
Total Liabilities and Fund Balances	\$ 18,455,318	\$ 2,661,586	\$ 21,116,904	\$ 1,549,036	\$ 22,665,940	\$ 96,877	\$ 14,738,848	\$ 170,506	\$ 37,672,171

COLLEGE OF THE MAINLAND
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended August 31, 2012

Schedule S-2

	Unrestricted	Restricted	Total Educational and General	Auxiliary	Total Current Funds	Loan	Plant	Total
Revenues and Other Additions								
State appropriations	\$ 6,028,791	\$ 2,263,914	\$ 8,292,705	\$ -	\$ 8,292,705	\$ -	\$ -	\$ 8,292,705
Tuition and fees	6,823,225	-	6,823,225	169,512	6,992,737	-	-	6,992,737
Maintenance ad valorem taxes	20,849,069	-	20,849,069	-	20,849,069	-	-	20,849,069
Federal grants and contracts	100,029	8,237,137	8,337,166	15,772	8,352,938	-	-	8,352,938
State Grants and Contracts	11,877	558,736	570,613	-	570,613	-	-	570,613
Local Grants and Contracts	-	10,000	10,000	-	10,000	-	-	10,000
Private grants and contracts	-	1,481,311	1,481,311	-	1,481,311	-	-	1,481,311
Sales and services of educational activities	23,727	-	23,727	-	23,727	-	-	23,727
Investment income	19,842	-	19,842	125	19,967	60	663	20,690
Foreign trade zone fees	792,856	-	792,856	-	792,856	-	-	792,856
Other income	184,227	-	184,227	-	184,227	3,760	-	187,987
Sales and services of auxiliary enterprises	-	-	-	472,190	472,190	-	-	472,190
Total Revenues and Other Additions	34,833,643	12,551,098	47,384,741	657,599	48,042,340	3,820	663	48,046,823
Expenditures and Other Deductions								
Expenditures (Sch. S-3)	33,512,216	12,538,997	46,051,213	295,214	46,346,427	-	-	46,346,427
Expended for plant facilities	-	-	-	-	-	-	240,043	240,043
Retirement of indebtedness/bonds and notes	122,497	-	122,497	-	122,497	-	275,000	397,497
Interest & fees on Indebtedness	1,925	-	1,925	-	1,925	-	7,871	9,796
Net increase (decrease) in long-term debt	-	-	-	-	-	-	(1,078,017)	(1,078,017)
Net (increase) decrease in capital assets	-	-	-	-	-	-	223,895	223,895
Total Expenditures and Other Deductions	33,636,638	12,538,997	46,175,635	295,214	46,470,849	-	(331,208)	46,139,641
Transfers-Additions/(Deductions)								
Renewals and replacements	(875,258)	-	(875,258)	-	(875,258)	-	875,258	-
Retirement of indebtedness	(308,863)	-	(308,863)	-	(308,863)	-	308,863	-
Total Transfers-Additions/(Deductions)	(1,184,121)	-	(1,184,121)	-	(1,184,121)	-	1,184,121	-
Net Increase (Decrease) for the Fiscal Year								
	12,884	12,101	24,985	362,385	387,370	3,820	1,515,992	1,907,182
Fund Balances, beginning	11,919,477	395,199	12,314,676	1,116,881	13,431,557	93,057	10,289,747	23,814,361
Fund Balances, ending	\$ 11,932,361	\$ 407,300	\$ 12,339,661	\$ 1,479,266	\$ 13,818,927	\$ 96,877	\$ 11,805,739	\$ 25,721,543

COLLEGE OF THE MAINLAND

Schedule S-3

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES

August 31, 2012

For the Years Ended August 31, 2012 and 2011

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals (Memorandum Only)	
					Current Year	Prior Year
Revenues						
State appropriations	\$ 6,028,791	\$ 2,263,914	\$ 8,292,705	\$ -	\$ 8,292,705	\$ 10,514,554
Tuition and fees	6,823,225	-	6,823,225	169,512	6,992,737	5,956,397
Maintenance ad valorem taxes	20,849,069	-	20,849,069	-	20,849,069	20,597,730
Sales and services of educational activities	23,727	-	23,727	-	23,727	25,221
Sales and services of auxiliary enterprises	-	-	-	472,190	472,190	1,395,743
Federal grants and contracts	100,029	8,237,137	8,337,166	15,772	8,352,938	7,810,066
State grants and contracts	11,877	558,736	570,613	-	570,613	555,872
Local grants and contracts	-	10,000	10,000	-	10,000	-
Private grants and contracts	-	1,481,311	1,481,311	-	1,481,311	2,288,962
Investment income	19,842	-	19,842	125	19,967	25,252
Foreign trade zone fees	792,856	-	792,856	-	792,856	735,893
Other income	184,227	-	184,227	-	184,227	236,319
Total Current Funds Revenues	34,833,643	12,551,098	47,384,741	657,599	48,042,340	50,142,009
Expenditures and Mandatory Transfers						
Educational & General:						
Instruction	13,551,352	2,715,899	16,267,251	-	16,267,251	16,987,181
Public Service	1,090,531	1,043,772	2,134,303	-	2,134,303	2,395,556
Academic support	2,780,388	488,376	3,268,764	-	3,268,764	3,537,669
Student services	3,725,076	972,889	4,697,965	-	4,697,965	4,483,115
Institutional support	7,058,720	479,332	7,538,051	-	7,538,051	7,626,816
Operation and maintenance of plant	4,758,866	-	4,758,866	-	4,758,866	5,269,736
Scholarships and fellowships	-	6,838,729	6,838,729	-	6,838,729	6,408,925
Capital outlay	547,283	-	547,283	-	547,283	695,124
Total Educational and General Expenditures	33,512,216	12,538,997	46,051,213	-	46,051,213	47,404,122
Auxiliary Enterprise Expenditures	-	-	-	295,214	295,214	1,790,852
Mandatory Transfers						
Retirement of Indebtedness	875,258	-	875,258	-	875,258	303,288
Renewals and Replacements	308,863	-	308,863	-	308,863	170,907
Total Mandatory Transfers	1,184,121	-	1,184,121	-	1,184,121	474,195
Total Expenditures and Mandatory Transfers	34,696,337	12,538,997	47,235,334	295,214	47,530,548	49,669,169
Other Transfers and Additions/(Deductions)						
Debt Service Expenditures	(124,422)	-	(124,422)	-	(124,422)	(124,714)
Total Other Transfers and Additions/(Deductions)	(124,422)	-	(124,422)	-	(124,422)	(124,714)
Net Increase (Decrease) in Fund Balances	\$ 12,884	\$ 12,101	\$ 24,985	\$ 362,385	\$ 387,370	\$ 348,126

COLLEGE OF THE MAINLAND
 SCHEDULE OF CHANGES IN FUND BALANCES
 UNRESTRICTED CURRENT FUNDS - AUXILIARY ENTERPRISES
 For the Year Ended August 31, 2012

Schedule S-4

	Bookstore	Child Care Center	Food Service	USDA Food Program	President's Fund	Student Activity Fee	Center for Advancement of Process Technology	CE Mexico Study Tour	TOTAL
Revenues									
Sales and services of auxiliary enterprises	\$ 312,945	\$ 102,202	\$ 23,160	\$ -	\$ 523	\$ -	\$ 29,510	\$ 3,850	\$ 472,190
Tuition and fees	-	-	-	-	-	169,512	-	-	169,512
Federal grants and contracts	-	-	-	15,772	-	-	-	-	15,772
Investment Income	125								125
Total revenue	313,070	102,202	23,160	15,772	523	169,512	29,510	3,850	657,599
Expenditures									
Salaries and wages	50,716	56,151	-	-	-	37,714	-	-	144,581
Employee benefits	2,757	3,088	-	-	-	1,854	-	-	7,699
Contracted services	-	-	3,676	-	-	1,082	-	-	4,758
Supplies	1,111	8,070	4,000	15,772	48,050	72	-	186	77,261
Other operating expenses	2,205	455	-	-	7,530	45,376	-	5,349	60,915
Total Expenditures	56,789	67,764	7,676	15,772	55,580	86,098	-	5,535	295,214
Excess revenue over expenditures	256,281	34,438	15,484	-	(55,057)	83,414	29,510	(1,685)	362,385
Interfund Transfers									
In	-	-	-	-	59,922	-	-	-	59,922
Out	(10,000)	(34,438)	(15,484)	-	-	-	-	-	(59,922)
Fund balances, beginning	947,280	1,000	7,002	504	60,430	61,074	12,690	26,901	1,116,881
Fund balances, ending	\$ 1,193,561	\$ 1,000	\$ 7,002	\$ 504	\$ 65,295	\$ 144,488	\$ 42,200	\$ 25,216	\$ 1,479,266