

COASTAL BEND COLLEGE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2009



Lovvorn & Kieschnick
CERTIFIED PUBLIC ACCOUNTANTS

LOVVORN & KIESCHNICK, LLP

COASTAL BEND COLLEGE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2009

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ORGANIZATIONAL DATA

**COASTAL BEND COLLEGE
ORGANIZATIONAL DATA
FOR THE FISCAL YEAR 2009**

BOARD OF TRUSTEES

		Term Expires <u>May 31</u>
Mr. Paul A. Jaure	Chairman	2014
Dr. Grady C. Hogue, Jr.	Vice-Chairman	2014
Mrs. Louise W. Hall	Secretary	2014
Mrs. Emilia H. Dominguez	Member	2010
Mrs. Laura Fischer	Member	2010
Mr. Carroll Wayne Lohse	Member	2012
Mr. Fred C. Morón	Member	2010

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Thomas B. Baynum	President
Dr. Santos Martinez, Jr.	Vice President of Student Services
Ms. Velma Elizalde	Dean of Student Services
Ms. Ruth L. Cude	Dean of Administrative Services
Ms. Alicia C. Ulloa	Director of Admissions/Registrar

FINANCIAL SECTION

Lovvorn & Kieschnick, LLP
418 Peoples Street, Suite 308
Corpus Christi, Texas 78401

Independent Auditor's Report on Financial Statements

Board of Trustees
Coastal Bend College
Beeville, Texas 78102

Members of the Board of Trustees:

We have audited the accompanying financial statements of the business-type activities of Coastal Bend College (the College) as of and for the year ended August 31, 2009, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Coastal Bend College's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Coastal Bend College as of August 31, 2009, and the changes in financial position and cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2009, on our consideration of Coastal Bend 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coastal Bend College's basic financial statements. The supporting schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards 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 provisions of the State of Texas, Uniform Grant and Contract Management Standards (UGCMS) and are also not a required part of the basic financial statements of Coastal Bend College. The supporting schedules and the schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

December 28, 2009

Management's Discussion and Analysis

Overview of Discussion and Analysis

Coastal Bend College is pleased to present its 2009 financial statements. Comparative data for fiscal year ended August 31, 2008 is also presented. There are three financial statements presented: (a) the Statement of Net Assets, (b) the Statement of Revenues, Expenses, and Changes in Net Assets, and (c) the Statement of Cash Flows. These financial statements are intended to provide both long-term and short-term financial information on the College as a whole and should be read in conjunction with the Notes to the Financial Statements. Specifically,

The Statement of Net Assets is equivalent to a balance sheet for a for-profit entity. It is a snapshot of the financial status of the college on a specific date.

The Statement of Revenues, Expenses, and Changes in Net Assets is equivalent to an income statement for a for-profit entity, showing the results of operations of the college for the last fiscal year.

The Statement of Cash Flows attempts to show the change in cash and cash equivalents over the course of the last fiscal year.

The Notes to the Financial Statements describe some of the accounting policies and assumptions used by the college in preparing the other basic statements and as such serve as an integral part of the basic financial statements.

The following discussion and analysis provides an overview of the College's financial activities for the year ending August 31, 2009.

Financial Highlights

Discussion of the Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. Net assets – the difference between assets and liabilities – are one way to measure the financial health of the College. The purpose of the Statement of Net Assets is to present to the readers of the financial statements a fiscal snapshot of the College. From the data presented, readers of the Statement of Net Assets are able to determine the resources that are available to continue the operations of the College. Readers are also able to determine the amounts the

Coastal Bend College

Management Discussion and Analysis

Fiscal Year Ending August 31, 2009

UNAUDITED

College owes vendors, bondholders and lending institutions. Finally, the Statement of Net Assets provides a picture of the net assets and their availability for expenditure by the institution.

The College's financial position as a whole was moderately strengthened during the year ending August 31, 2009, when compared to the snapshot from August 31, 2008.

Overall, current assets, which include cash and cash equivalents, short-term investments, accounts receivable, inventories and prepaid expenses, increased by \$3,402,228. This increase was due primarily to the increase in student receivables from registration for Fall, 2009. Current assets are assets that can be accessed to operate the College. Noncurrent assets, which include restricted cash and cash equivalents, endowment investments, other long-term investments, deferred charges, and capital assets, decreased by \$1,002,459. This decrease was due to the maturing of long-term investments.

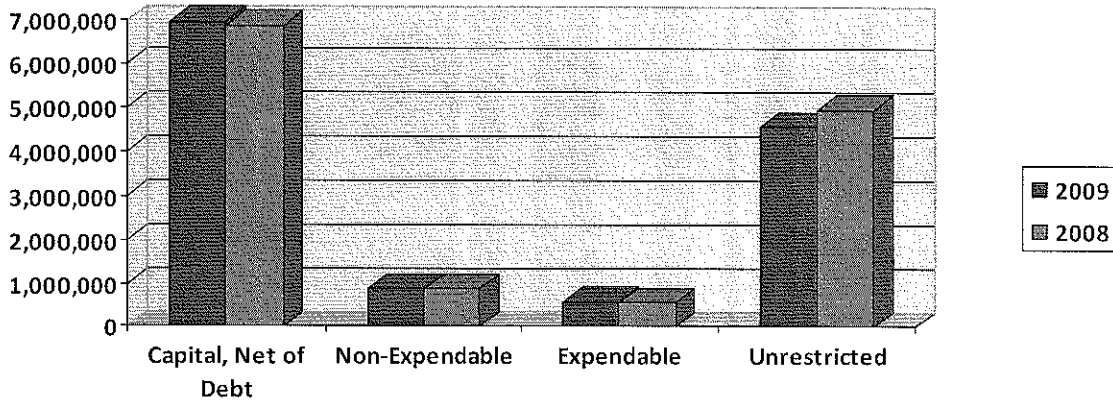
At the same time, current liabilities, which include accounts payable, funds held for others, deferred revenues, and bonds payable (current portion), increased by \$2,442,882. This increase is due to an increase in deferred revenues. Deferred revenues occur when payment is received before services are performed.

Non-current liabilities, which include accrued compensable absences and bonds payable, remained almost the same as the August 31, 2008 snapshot, decreasing by \$190,432. As one would expect the bonds payable decreased after our annual payment and the accrued compensable absences increased slightly as employees gained seniority with the institution.

Below is a condensed version of the institution's assets and liabilities:

	2009	2008
Total Current Assets	8,973,041	5,570,814
Total Noncurrent Assets	13,501,197	14,503,656
Total Assets	22,474,238	20,074,470
Total Current Liabilities	5,868,219	3,425,337
Total Noncurrent Liabilities	3,619,409	3,809,841
Total Liabilities	9,487,628	7,235,178
Total Net Assets	12,986,610	12,839,292

Thus, the total net assets as of August 31, 2009 indicate a moderate increase of \$147,318 over the institution's net assets as of August 31, 2008. The change resulted from a combination of a decrease in invested in capital assets, net of related debt, unchanged net assets in endowment, debt service and scholarships, and an increase in unrestricted assets as demonstrated in the chart below:



Discussion of the Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the College as well as the non-operating revenues and expenses. For the purpose of this statement, the category Operating Revenues includes tuition and fees (net of discounts), governmental grants not related to Title IV and non-governmental grants, sales and services of educational activities, auxiliary enterprises (net of discounts) and general operating revenues. The category of non-operating revenues includes state allocations, maintenance ad valorem taxes, gifts, investment income, interest on capital related debt, and grants for Title IV and other non-operating revenues. Please note that state allocations and ad valorem taxes, while budgeted for operations, are considered non-operating revenue according to generally accepted accounting principles. The change in the classification of Title IV grants from operating to non-operating revenue is reflected below in the significant differences between the annual amounts in the categories reflected. This is a change in generally accepted accounting principles and is mandated by the Texas Higher Education Coordinating Board.

A chart of the Summary of Revenues, Expenses and Changes in Net Assets follows:

	2009	2008
Operating Revenues	6,946,030	15,478,062
Operating Expenses	(29,709,315)	(25,637,290)
Operating Loss	(22,763,285)	(10,159,230)
Non-operating Revenues	22,910,603	10,231,740
Increase in Net Assets	147,318	72,511

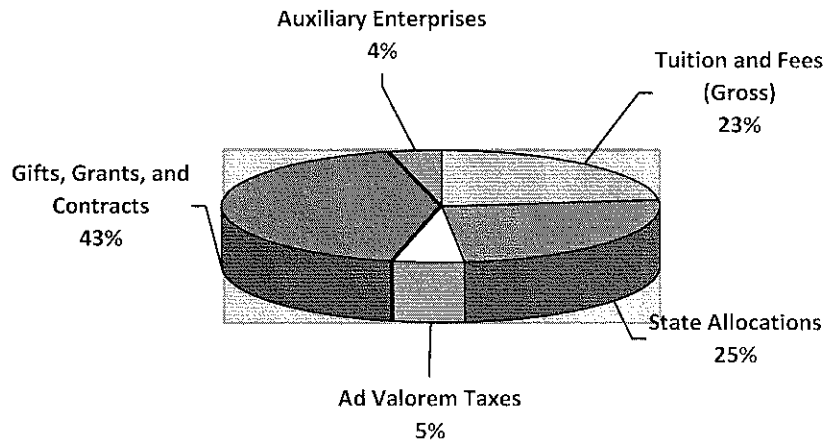
Revenue

The chart below reflects operating revenues for all sources, before discounting. The five primary sources of operating revenue for the institution continue to be: a) gifts, grants and contracts; (b) state allocations; (c) tuition and fees, (d) ad valorem taxes; and (e) auxiliary enterprises. A chart of the major components of revenue (operating and non-operating combined) follows:

Major Revenue Components	2009	2008	Difference
Tuition and Fees (Gross)	7,979,609	7,222,069	757,540
State Allocations	8,672,464	8,313,429	359,035
Ad Valorem Taxes	1,786,167	1,678,336	107,831
Gifts, Grants, and Contracts			
Federal	13,583,693	9,590,718	3,992,975
State	772,950	753,272	19,678
Local	21,084	51,566	(30,482)
Private (Operating and Non-Operating)	129,373	220,647	(91,274)
Total Gifts, Grants, and Contracts	14,507,100	10,616,203	3,890,897
Auxiliary Enterprises	2,197,018	1,752,062	444,956

The following chart helps to visualize the major revenue components as they contribute to the total revenue sources of the College:

Major Components of Revenue



For the fiscal year ending August 31, 2009, gross tuition and fee revenue was approximately \$7,979,609 or \$757,540 higher than in fiscal year 2008. Factors contributing to the 2009 increase included continued moderate increases in science and mathematics courses as students worked to complete prerequisite coursework for the Radiologic Technology program (added during the 2007-2008 academic year) and the Registered Nursing program, which did not begin until Fall 2008 but for which prerequisite coursework began in the 2007-2008 academic year.

Ad Valorem tax revenue for fiscal year 2009 exceeded the prior year by approximately \$107,831.

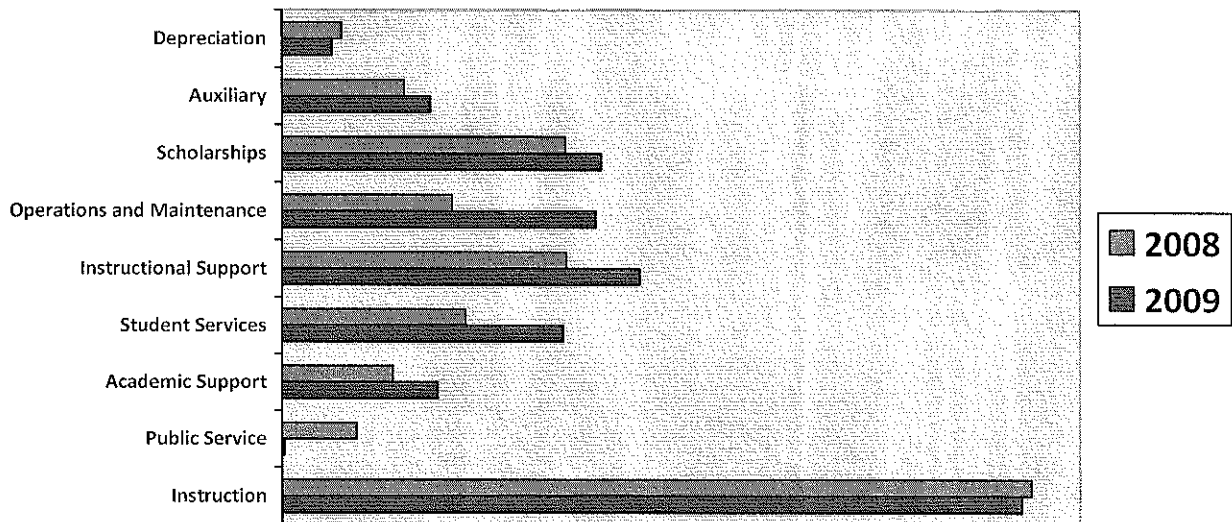
Operating Expenses by Functional Classification

Functional classifications, representing programs and services provided, are the traditional categories that have been used to show expenses. The chart below shows the 2009 expenses compared to the 2008 expenses.

Functional Classifications	2009	2008	Difference
Instruction	9,272,434	9,396,838	(124,404)
Public Service	27,788	930,136	(902,348)
Academic Support	1,954,966	1,385,429	569,537
Student Services	3,524,696	2,305,591	1,219,105
Institutional Support	4,492,951	3,568,962	923,989
Operation and Maintenance of Plant	3,936,838	2,137,999	1,798,839
Scholarships and Fellowships	4,008,699	3,552,763	455,936
Auxiliary Enterprises	1,866,460	1,614,768	251,692
Depreciation	624,482	744,804	(120,322)
	(29,709,315)	(25,637,290)	4,072,025

As the chart below visually demonstrates, differences existed in functional totals between 2009 and 2008, the majority of the College operating expenses continue to be dedicated to instruction and instructional support.

Operating Expense Comparison



Coastal Bend College

Management Discussion and Analysis

Fiscal Year Ending August 31, 2009

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During academic year 2008-2009, total operating expenses increased from the prior year by approximately \$4,072,024. Included in this amount are changes in academic and institutional support and operation of the physical facilities as well as the increased scholarships and fellowships.

Budgetary considerations that had a direct impact on the budget as increases to salaries were in the clerical and physical facility areas. The JRCERT program was accredited during the year. Maintenance to the physical plant was required and a new chiller was purchased during the year.

Discussion of the Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement presents cash flows from four sources: (a) operating activities, (b) non-capital financing activities, (c) capital financing activities, and (d) investing activities.

A summary of the Statement of Cash Flows follows:

	2009	2008
Operating Activities	(19,622,654)	(10,060,851)
Noncapital Financing Activities	20,900,301	10,278,077
Capital and Related Financing Activities	(649,292)	(526,142)
Investing Activities	276,859	194,545
Changes in Cash and Cash Equivalents	905,214	(114,371)

The primary cash flows from operating activities include cash receipts from students and other customers (e.g., tuition, housing, board) and grant and contract revenue. Cash outlays include payments to suppliers (supplies), employees (wages, benefits), and students (scholarships). Changes in the categories are primarily due to increased enrollment and the change in generally accepted accounting principles related to Title IV grants.

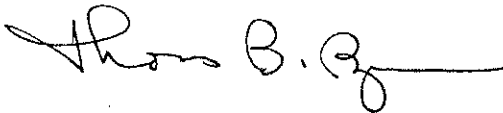
State appropriations and ad valorem taxes were the primary sources of non-capital financing. Accounting standards require that we reflect this source of revenue as non-operating even though these resources are classified as operating revenues in the College budget. Cash flows from Capital Financing Activities include payments of capital assets, and the principal and interest on capital debt. Finally, cash flows from investing activities represent the annual effect of the purchase, sale and maturity of investments.

Concluding Comments

Factors That Will Affect the Future

Enrollment growth thus far for the 2009-2010 academic year is at 19.31% for Fall 2009, increasing enrollment from 3,517 in Fall 2008 to 4,196 in Fall 2009. Additionally, the growth in total contact hours has exceeded the growth in enrollment; thus, students at the College are taking more hours, increasing contact hours from 697,792 in Fall 2008 to 849,224 in Fall 2009. This growth has a direct impact on tuition and fees.

Much of the growth that the college is experiencing continues to come from new programs in Health Science as well as new interest program in Machinist Technology and Airframe and Power Plant Technology. These programs bring additional costs in terms of faculty and some equipment, but the direct payoff comes in not only the program coursework but also the academic coursework that is included in each program (at least 15 hours of academic courses for each AAS program). Additionally, the college continues to explore alternative delivery of courses to provide options for students whose attendance in classes is restricted by work and family commitments. The College continues an aggressive campaign to work with local business and industry in all of the markets we serve so that customized training options can be offered. It is the belief of the administration that the growth of the college is closely tied to the combined effect of these multiple enrollment management and curricular strategies.



Dr. Thomas Baynum, President

Basic Financial Statements

Coastal Bend College

Exhibit 1

Statement of Net Assets August 31, 2009 with Comparative Data for 2008

ASSETS	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash and cash equivalents	\$ 1,475,134	\$ 517,839
Short term investments (See Note 4)	607,534	1,086,787
Accounts receivable (net)	5,839,732	3,507,114
Inventories	1,046,859	459,074
Prepaid expenses	3,782	0
Total Current Assets	<u>8,973,041</u>	<u>5,570,814</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	186,936	239,017
Endowment Investments	514,263	514,263
Other long-term investments	2,302,048	3,245,170
Deferred charges	93,879	100,585
Capital assets (net) (See Note 5)	10,404,071	10,404,621
Total Noncurrent Assets	<u>13,501,197</u>	<u>14,503,656</u>
Total Assets	<u>22,474,238</u>	<u>20,074,470</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,281,080	948,352
Funds held for others	284,990	103,209
Deferred revenues	4,107,149	2,183,776
Bonds payable - current portion	195,000	190,000
Total Current Liabilities	<u>5,868,219</u>	<u>3,425,337</u>
Noncurrent Liabilities:		
Accrued compensable absences	369,409	364,841
Bonds payable (See Note 6)	3,250,000	3,445,000
Total Noncurrent Liabilities	<u>3,619,409</u>	<u>3,809,841</u>
Total Liabilities	<u>9,487,628</u>	<u>7,235,178</u>
NET ASSETS		
Invested in capital assets, net of related debt	6,959,071	6,870,205
Restricted for:		
Non-Expendable		
Endowments	514,263	555,076
Debt service	362,489	315,118
Expendable		
Scholarships	582,830	550,078
Unrestricted	4,567,957	4,548,815
Total Net Assets (Schedule D)	<u>\$ 12,986,610</u>	<u>\$ 12,839,292</u>

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

Coastal Bend College

Exhibit 2

Statement of Revenues, Expenses and Changes in Net Assets Year Ended August 31, 2009 with Comparative Data for 2008

Operating Revenues	<u>2009</u>	<u>2008</u>
Tuition and Fees (net of discounts of \$3,415,131 and \$3,220,039, respectively)	\$ 3,350,467	\$ 3,806,938
Federal Grants and Contracts	1,140,768	9,590,718
State Grants and Contracts	772,950	753,272
Local Grants and Contracts	21,084	51,566
Non-Governmental Grants and Contracts	129,373	88,422
Sales and Services of Educational Activities	138,699	123,900
Auxiliary Enterprises (net of discounts)	1,275,465	1,014,009
General Operating Revenues	117,224	49,237
Total Operating Revenues (Schedule A)	<u>6,946,030</u>	<u>15,478,062</u>
Operating Expenses		
Instruction	9,272,434	9,396,838
Public Service	27,788	930,136
Academic Support	1,954,966	1,385,429
Student Services	3,524,696	2,305,591
Institutional Support	4,492,951	3,568,962
Operation and Maintenance of Plant	3,936,838	2,137,999
Scholarships and Fellowships	4,008,699	3,552,763
Auxiliary Enterprises	1,866,460	1,614,768
Depreciation	624,482	744,804
Total Operating Expenses (Schedule B)	<u>29,709,315</u>	<u>25,637,290</u>
 Operating Loss	 (22,763,285)	 (10,159,230)
Non-Operating Revenues (Expenses)		
State Allocations	8,672,464	8,313,429
Maintenance Ad Valorem Taxes	1,786,167	1,678,336
Federal Revenue, Non Operating	12,419,180	0
Gifts	7,465	132,225
Investment income	134,200	233,371
Interest on Capital Related Debt	(144,750)	(144,775)
Other Non-Operating Revenues	47,320	30,124
Other Non-Operating Expenses	(11,443)	(10,970)
Net Non-Operating Revenues (Schedule C)	<u>22,910,603</u>	<u>10,231,740</u>
 Increase (Decrease) in Net Assets	 147,318	 72,511
Net Assets		
Net Assets - Beginning of Year	12,839,292	12,766,781
Net Assets - End of Year	<u>\$ 12,986,610</u>	<u>\$ 12,839,292</u>

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

Coastal Bend College

EXHIBIT 3

Statement of Cash Flows Year Ended August 31, 2009 with Comparative Data for 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 4,051,338	\$ 7,856,908
Receipts from grants and contracts	1,445,944	9,178,013
Payments to suppliers for goods and services	(8,292,229)	(9,019,613)
Payments to or on behalf of employees	(15,035,313)	(14,523,396)
Payments for scholarships and fellowships	(1,792,393)	(3,552,763)
Net cash used by operating activities	<u>(19,622,654)</u>	<u>(10,060,851)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from state allocations	8,313,430	8,313,429
Receipts from ad valorem taxes	1,779,106	1,678,336
Receipts from Non operating federal revenue	10,856,635	-
Payments for collection of taxes	(22,235)	(15,157)
Receipts from student organizations and other agency transactions	166	272,213
Payments to student organizations and other agency transactions	(26,800)	(868)
Other receipts	-	30,124
Net cash provided by noncapital financing activities	<u>20,900,301</u>	<u>10,278,077</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(320,105)	(196,367)
Payments on capital debt - principal	(190,000)	(185,000)
Payments on capital debt - interest	(139,187)	(144,775)
Net cash used by capital and related financing activities	<u>(649,292)</u>	<u>(526,142)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	205,000	3,076,154
Interest on investments	71,962	78,574
Purchase of investments	(103)	(2,960,183)
Net cash provided by investing activities	<u>276,859</u>	<u>194,545</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>905,214</u>	<u>(114,371)</u>
CASH AND CASH EQUIVALENTS—September 1	<u>756,856</u>	<u>871,227</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,662,070</u>	<u>\$ 756,856</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (22,763,286)	\$ (10,159,230)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation expense	624,482	744,805
Changes in assets and liabilities:		
Receivables (net)	980,796	(749,904)
Deferred expenses	0	6,705
Inventories	(616,063)	(145,514)
Prepaid expenses	(2,229)	575
Accounts payable	291,219	186,139
Funds Held for Others	0	52,524
Compensated absences	(60,945)	14,892
Deferred revenue	1,923,373	(11,844)
Net cash used by operating activities	<u>\$ (19,622,654)</u>	<u>\$ (10,060,851)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

COASTAL BEND COLLEGE
Notes to Financial Statements
August 31, 2009

1. Reporting Entity

Coastal Bend College (the College) was established in 1965, in accordance with the laws of the state of Texas, to serve the educational needs of Bee County 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 No. 14 *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

Component Unit

The Coastal Bend College Foundation (the Foundation) is a nonprofit organization with the purpose of supporting the educational and other activities of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation is considered a blended component unit of the College, as a majority of the members of the Foundation are also Trustees of the College and the College is able to impose its will on the Foundation, as defined in Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial statements of the Foundation are not material to the financial statements of the College and have not been included in the basic financial statements.

Complete financial statements for the Foundation may be obtained at the Dean of Administrative Services, Coastal Bend College, 3800 Charco Rd., Beeville, Texas 78102.

2. Summary of Significant Accounting Policies

Report 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 Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships 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 §56.0333). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education 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 restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

COASTAL BEND COLLEGE
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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 and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Budgetary Data

Each community college 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 1st.

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 time of purchase. The governing board has designated public funds investment pools comprised of MBIA Government Pool, Logic and TexPool to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of bookstore stock and are valued at cost under the "first-in, first-out" method and are charged to expense as consumed.

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 to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense incurred.

COASTAL BEND COLLEGE
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The College reports depreciation under a single-line item as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

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

Deferred Revenues

Tuition and fees of \$4,107,149 and \$2,183,776 have been reported as deferred revenues at August 31, 2009 and 2008, respectively.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. 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, Federal Pell grants, all Title IV student financial aid grants, and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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.

4. Deposits and Investments

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

Cash and Deposits

	2009	2008
Bank Deposits		
Demand Deposits	1,656,560	751,904
Cash and Cash Equivalents		
Petty Cash on Hand	5,510	4,952
Total Cash and Deposits	1,662,070	756,856

COASTAL BEND COLLEGE
Notes to Financial Statements
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During the year ended August 31, 2009, deposits were entirely covered by FDIC insurance or by pledged collateral held by the College's agent bank in the College's name.

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2009	Market Value August 31, 2008
Investments		
U.S. Agencies	644,942	1,484,825
Fixed Annuities	2,166,894	2,060,125
Money Market Fund	297,289	-
Investment Pools	157,085	1,068,962
Certificates of Deposit	157,635	232,308
Total Investments	3,423,845	4,846,220
Total Cash and Deposits	1,662,070	756,856
Total Deposits and Investments	5,085,915	5,603,076
Cash and Cash Equivalents	1,475,134	517,839
Short Term Investments	607,534	1,086,787
Restricted Cash and Cash Equivalents	186,936	239,017
Endowment Investments	514,263	514,263
Other Long-term Investments	2,302,048	3,245,170
Total Deposits and Investments	5,085,915	5,603,076

As of August 31, 2009, the College had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 3	4 to 5
U.S. Agencies	644,942	324,890	320,052	-
Fixed Annuities	2,166,894	-	1,584,064	582,830
Certificate of Deposit	157,635	-	157,635	-
Investment Pools:				
Investment in TexPool	50,429	50,429	-	-
Investment in Texas Class	54,104	54,104	-	-
Investment in LOGIC Pool	52,552	52,552	-	-
Money Market Fund	297,289	297,289	-	-
Total Fair Value	3,423,845	779,264	2,061,751	582,830

COASTAL BEND COLLEGE
Notes to Financial Statements
August 31, 2009

Interest Rate Risk

In accordance with state law and College policy, the College does not purchase any investments with maturities greater than 10 years.

Credit Risk

In accordance with state law and the College's investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at **least A-1 or P-1**, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. The College's investments in investment pools were rated AAA. The College's investments in New Era Life Insurance Company Guaranteed Investment Contracts and Liberty Bankers Life Insurance Company Guaranteed Investment Contracts were secured by FDIC and NCUSIF. The College's investments in FHLB and FNMA were rated AAA and AA2 respectively. The College's investment in Wells Fargo Bank, NA Money Market Fund was secured by FDIC.

Concentration of Credit Risk

The College does not place a limit on the amount the College may invest in any one issuer. More than 5% of the College's investments are in FHLB (9%), Liberty Bankers Life Insurance Company Guaranteed Investment Contracts (17%), New Era Life Insurance Company Guaranteed Investment Contracts (42%), Wells Fargo Bank, NA Money Market Fund (8%), and FNMA (9%).

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a custodial credit risk.

COASTAL BEND COLLEGE
Notes to Financial Statements
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5. Capital Assets

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

	Balance August 31, 2008	Increases	Decreases	Balance August 31, 2009
<u>Not Depreciated</u>				
Land	476,889	-	-	476,889
Subtotal	476,889	-	-	476,889
<u>Other Capital Assets</u>				
Buildings and Improvements	17,796,879	265,473	-	18,062,352
Furniture, Machinery, Vehicles and Other Equipment	1,722,445	28,926	-	1,751,371
Telecommunications and Peripheral Equipment	1,850,400	310,158	-	2,160,558
Library Books	1,250,003	19,371	-	1,269,374
Subtotal	22,619,727	623,928	-	23,243,655
<u>Accumulated Depreciation</u>				
Buildings and Improvements	(9,103,846)	(367,516)	-	(9,471,362)
Furniture, Machinery, Vehicles, and Other Equipment	(1,155,612)	(99,117)	-	(1,254,729)
Telecommunications and Peripheral Equipment	(1,591,539)	(102,534)	-	(1,694,073)
Library Books	(840,998)	(55,311)	-	(896,309)
Subtotal	(12,691,995)	(624,478)	-	(13,316,473)
Net Other Capital Assets	9,927,732	(550)	-	9,927,182
Net Capital Assets	10,404,621	(550)	-	10,404,071

COASTAL BEND COLLEGE
Notes to Financial Statements
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Capital assets activity for the year ended August 31, 2008 was as follows:

	Balance August 31, 2007	Increases	Decreases	Balance August 31, 2008
<u>Not Depreciated</u>				
Land	476,889	-	-	476,889
Subtotal	476,889	-	-	476,889
<u>Other Capital Assets</u>				
Buildings and Improvements	17,796,879	-	-	17,796,879
Furniture, Machinery, Vehicles and Other Equipment	1,652,592	69,853	-	1,722,445
Telecommunications and Peripheral Equipment	1,730,244	120,156	-	1,850,400
Library Books	1,243,645	6,358	-	1,250,003
Subtotal	22,423,360	196,367	-	22,619,727
<u>Accumulated Depreciation</u>				
Buildings and Improvements	(8,736,330)	(367,516)	-	(9,103,846)
Furniture, Machinery, Vehicles, and Other Equipment	(1,023,198)	(132,414)	-	(1,155,612)
Telecommunications and Peripheral Equipment	(1,408,681)	(182,858)	-	(1,591,539)
Library Books	(785,688)	(55,310)	-	(840,998)
Subtotal	(11,953,897)	(738,098)	-	(12,691,995)
Net Other Capital Assets	10,469,463	(541,731)	-	9,927,732
Net Capital Assets	10,946,352	(541,731)	-	10,404,621

COASTAL BEND COLLEGE
Notes to Financial Statements
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6. Long-term Liabilities

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

	Balance August 31, 2008	Additions	Reductions	Balance August 31, 2009	Current Portion
Bonds					
Revenue Bonds	3,635,000	-	190,000	3,445,000	195,000
Other Liabilities:					
Compensated Absences	364,841	65,514	60,946	369,409	-
Total	<u>3,999,841</u>	<u>65,514</u>	<u>250,946</u>	<u>3,814,409</u>	<u>195,000</u>

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

	Balance August 31, 2007	Additions	Reductions	Balance August 31, 2008	Current Portion
Bonds					
Revenue Bonds	3,820,000	-	185,000	3,635,000	190,000
Other Liabilities:					
Compensated Absences	349,949	14,892	-	364,841	-
Total	<u>4,169,949</u>	<u>14,892</u>	<u>185,000</u>	<u>3,999,841</u>	<u>190,000</u>

7. Debt Obligations

Debt service requirements for the revenue bonds at August 31, 2009 were as follows:

For The Year Ended August 31	Principal	Interest	Total
2010	195,000	133,488	328,488
2011	200,000	127,150	327,150
2012	205,000	120,150	325,150
2013	215,000	112,975	327,975
2014	220,000	105,450	325,450
2015-2019	1,235,000	395,120	1,630,120
2020-2023	1,175,000	125,845	1,300,845
Totals	<u>3,445,000</u>	<u>1,120,178</u>	<u>4,565,178</u>

COASTAL BEND COLLEGE
Notes to Financial Statements
August 31, 2009

General information related to bonds payable is summarized below:

- Bond Issue Name: Coastal Bend College Combined Fee Revenue Bonds, Series 2003
- Purpose of Bond Issue: To improve, construct, acquire, enlarge, equip and maintain certain property, buildings and facilities.
- Issue Date: August 12, 2003
- Original Amount of Issue; Amount Authorized: \$4,505,000.
- Interest Rates: 2.00% to 3.90%
- Source of Revenue for Debt Service: Pledged registration fees, out of district fees, student service fees and course fees.

9. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees.

Teacher Retirement System of Texas

Plan Description. Coastal Bend College 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.

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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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 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 percent for Fiscal Years 2009, 2008 and 2007 and a state contribution rate of 6.58 percent for Fiscal Years 2009 and 2008 and 6 percent for Fiscal Year 2007. In certain instances the reporting district is required to make all or a portion of the state's 6.58 percent contribution for Fiscal Years 2009 and 2008 and 6 percent for Fiscal Year 2007.

COASTAL BEND COLLEGE
Notes to Financial Statements
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Optional Retirement Plan

Plan Description. 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 legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.58% and 6.65%, respectively. The college contributes 1.92% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the college was \$554,603 and \$485,188 for the fiscal years ended August 31, 2009 and 2008, 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 \$12,203,127 and \$11,499,818 for fiscal years 2009 and 2008, respectively. The total payroll of employees covered by the Teacher Retirement System was \$7,438,716 and \$6,465,101, and the total payroll of employees covered by the Optional Retirement Program was \$3,060,992 and \$3,121,798 for fiscal years 2009 and 2008, respectively.

10. Deferred Compensation Program

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

11. Compensated Absences

Full-time employees earn annual leave of 10 days per year. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum carryover of 20 days. Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized an accrued liability of \$237,265 and \$212,074 for the unpaid annual leave for 2009 and 2008. Sick leave, which can be accumulated to a maximum of 90 days, is earned at the rate of one day per month. It is paid to an employee who misses work because of illness. Employees with at least 10 years of service who terminate their employment are entitled to payment for all accumulated sick leave up to the maximum allowed. Annual sick leave of \$132,144 was recognized for 2009 and \$152,767 for 2008.

COASTAL BEND COLLEGE
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12. Operating Lease Commitments and Rental Agreement

Included in current expenses is \$209,675 for rent paid or due under operating leases.

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2009 are as follows:

Year Ended	Minimum Future Lease Payments
2010	225,788

13. Funds Held in Trust by Others

The balances, or transactions of funds, held in trust by others on behalf of Coastal Bend College are not reflected in the financial statements. At August 31, 2009 and 2008 there was one fund for the benefit of the College. The assets of this fund are administered by an appointed plan administrator.

14. 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. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expensed, but not collected are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expensed, 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. Contract and grant awards already committed, e.g. multi-year awards, or funds awarded during fiscal years 2009 and 2008 for which monies have not been received nor funds expended totaled \$864,739 and \$1,304,575. These amounts were entirely from Federal Contract and Grant Awards for the fiscal years ended 2009 and 2008, respectively.

15. Post Retirement Health 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 these benefits if they reach normal retirement age while working for the State. These 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 was \$360.54 per month for the year ended August 31, 2009 (\$360.54 per month for 2008) and totaled \$1,113,202 for 2009 (\$1,012,234 for the year ended 2008). The cost of providing those benefits for 102 retirees in the year ended 2009 was \$508,844 (retiree benefits for 106 retirees cost \$508,662 in 2008). For 256 active employees, the cost of providing benefits was \$949,001 for the year ended 2009 (active employee benefits for 246 employees cost \$681,045 for the year ended 2008).

COASTAL BEND COLLEGE
Notes to Financial Statements
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16. 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.

At August 31,

	<u>2009</u>	<u>2008</u>
Assessed Valuation of the District:	1,954,214,840	1,777,594,146
Less: Exemptions	763,658,409	754,679,135
Less: Abatements	-	-
	-	-
Net Assessed Valuation of the District	<u>1,190,556,431</u>	<u>1,022,915,011</u>

<u>2009</u>	<u>Current</u> <u>Operations</u>	<u>Debt</u> <u>Service</u>	<u>Total</u>
Tax Rate per \$100 valuation authorized (Maximum per enabling legislation)	0.50	0.50	1.00
Tax Rate per \$100 valuation of assessed	0.15222	-	0.15222

<u>2008</u>	<u>Current</u> <u>Operations</u>	<u>Debt</u> <u>Service</u>	<u>Total</u>
Tax Rate per \$100 valuation authorized	0.50	0.50	1.00
Tax Rate per \$100 valuation of assessed	0.16301	-	0.16301

Taxes levied for the years ended August 31, 2009 and 2008 amounted to \$1,808,330 and \$1,652,360, respectively (which includes any penalty and interest assessed if applicable). 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.

<u>2009</u>	<u>Operations</u>	<u>Debt Service</u>	<u>Total</u>
Taxes Collected			
Current Taxes Collected	1,728,932	-	1,728,932
Delinquent Taxes Collected	30,027	-	30,027
Penalties and Interest Collected	20,147	-	20,147
Total Collections	<u>1,779,106</u>	<u>-</u>	<u>1,779,106</u>

<u>2008</u>	<u>Operations</u>	<u>Debt Service</u>	<u>Total</u>
Taxes Collected			
Current Taxes Collected	1,588,592	-	1,588,592
Delinquent Taxes Collected	48,965	-	48,965
Penalties and Interest Collected	39,077	-	39,077
Total Collections	<u>1,676,634</u>	<u>-</u>	<u>1,676,634</u>

COASTAL BEND COLLEGE
Notes to Financial Statements
August 31, 2009

Tax collections for the years ended August 31, 2009 and 2008 were 98.38% and 101.47% respectively of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

17. 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 subjected to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the years ended August 31, 2009 and 2008.

18. Commitments and Contingencies

1. Contingencies

The College participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the College has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the College, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Pending Lawsuits and Claims

On August 31, 2009, various lawsuits and claims involving Coastal Bend 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.

19. Disaggregation of Receivables and Payables Balances

Receivables

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

	2009	2008
Student Receivables	1,753,775	452,603
Taxes Receivable	115,734	103,552
Tuition Sponsor Receivable	216,984	1,193,879
Contract and Grant Receivable	3,773,868	1,609,424
Interest Receivable	41,065	41,065
Other Receivable	29,441	192,605
Subtotal	5,930,867	3,593,128
Allowance for Doubtful Accounts	(91,135)	(86,014)
TOTAL RECEIVABLES	5,839,732	3,507,114

COASTAL BEND COLLEGE
Notes to Financial Statements
August 31, 2009

Payables

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

	2009	2008
Vendors Payable	1,174,144	948,352
Interest Payable	5,562	-
Other Payable	101,374	-
TOTAL PAYABLES	1,281,080	948,352

20. Risk Management

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

21. Postemployment Benefits Other than Pensions

(In accordance with GASB Statement 45)

Plan Description. Coastal Bend 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.

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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 thirty years.

The College's contributions to SRHP for the years ended August 31, 2009, 2008, and 2007, were \$39,737, \$33,776, and \$45,197, respectively, which equaled the required contributions each year.

OTHER SUPPLEMENTARY INFORMATION

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Schedules

Schedule of Operating Revenues

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2009 Total</u>	<u>2008 Total</u>
Tuition:						
State funded credit courses:						
In-district resident tuition	1,033,773		1,033,773		1,033,773	921,829
Out-of-district resident tuition	2,459,666		2,459,666		2,459,666	2,193,317
Non-resident tuition	71,295		71,295		71,295	63,574
TPEG - credit (set aside) *	200,000		200,000		200,000	198,358
State-funded continuing education	-		-		-	-
TPEG - non-credit (set aside) *	-		-		-	-
Non-state funded educational programs	120,068		120,068		120,068	204,638
Total Tuition	<u>3,884,802</u>	<u>-</u>	<u>3,884,802</u>	<u>-</u>	<u>3,884,802</u>	<u>3,581,717</u>
Fees:						
Out of District Fees	2,625,189		2,625,189		2,625,189	2,424,321
Distance Learning Fees	179,718		179,718		179,718	156,095
Installment Plan Fees	-	-	-	8,380	8,380	7,890
Dual Credit Student Fees	269,721		269,721		269,721	220,570
Individual Course Fees	649,254		649,254		649,254	516,265
Registration Fees	362,545		362,545		362,545	315,211
Total Fees	<u>4,086,427</u>	<u>-</u>	<u>4,086,427</u>	<u>8,380</u>	<u>4,094,807</u>	<u>3,640,352</u>
Scholarship allowances and discounts:						
Remissions and exemptions - state	(132,207)		(132,207)		(132,207)	(4,710)
Title IV federal grants	(3,690,556)		(3,690,556)		(3,690,556)	(3,147,619)
Other federal grants	(87,065)		(87,065)		(87,065)	-
TPEG awards	(170,020)		(170,020)		(170,020)	(194,647)
Other state grants	(415,340)		(415,340)		(415,340)	(68,155)
Other local grants	(133,954)		(133,954)		(133,954)	-
Total Scholarship Allowances	<u>(4,629,142)</u>	<u>-</u>	<u>(4,629,142)</u>	<u>-</u>	<u>(4,629,142)</u>	<u>(3,415,131)</u>
Total net tuition and fees	<u>3,342,087</u>	<u>-</u>	<u>3,342,087</u>	<u>8,380</u>	<u>3,350,467</u>	<u>3,806,938</u>
Additional operating revenues:						
Federal grants and contracts		1,140,768	1,140,768		1,140,768	9,590,718
State grants and contracts		772,950	772,950		772,950	753,272
Local grants and contracts		21,084	21,084		21,084	51,566
Non-governmental grants and contracts		129,373	129,373		129,373	88,422
Sales and services of educational activities	138,699		138,699		138,699	123,900
General operating revenues	117,224		117,224		117,224	49,237
Total additional operating revenues	<u>255,923</u>	<u>2,064,175</u>	<u>2,320,098</u>	<u>-</u>	<u>2,320,098</u>	<u>10,657,115</u>
Auxiliary Enterprises:						
Bookstore			-	1,784,535	1,784,535	1,387,437
Less Discounts			-	(812,488)	(812,488)	(610,472)
Student Housing			-	291,922	291,922	260,369
Less Discounts			-	(109,065)	(109,065)	(127,581)
Child Care Center			-	120,561	120,561	104,256
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275,465</u>	<u>1,275,465</u>	<u>1,014,009</u>
Total Operating Revenues	<u>\$ 3,598,010</u>	<u>\$ 2,064,175</u>	<u>\$ 5,662,185</u>	<u>\$ 1,283,845</u>	<u>\$ 6,946,030</u>	<u>\$ 15,478,062</u>

(Exhibit 2)

(Exhibit 2)

* In accordance with Education Code 56.033, \$200,000 and \$198,358 for years August 31, 2009 and 2008, respectively, of tuition was set aside for Texas Public Education grants (TPEG)

Coastal Bend College

Schedule B

Schedule of Operating Expenses by Object
Year Ended August 31, 2009 (with Memorandum Totals for the Year Ended August 31, 2008)

	Operating Expenses				2009 Total	2008 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 6,452,307		\$ 142,595	\$ 844,488	\$ 7,439,390	\$ 7,345,968
Public Service	-			27,788	27,788	216,868
Academic Support	380,012		6,933	415,188	802,133	1,132,972
Student Services	531,839		97,874	591,312	1,221,025	950,904
Institutional Support	1,992,713		140,988	2,165,793	4,299,494	3,041,122
Operation and Maintenance of Plant	721,233		199,023	3,016,583	3,936,839	2,137,999
Scholarships and Fellowships			120,339		120,339	75,339
Total Unrestricted Educational Activities	10,078,104	-	707,752	7,061,152	17,847,008	14,901,172
Restricted - Educational Activities						
Instruction	\$ 216,703	\$ 1,350,923	\$ 51,039	\$ 214,379	\$ 1,833,044	\$ 2,050,870
Public Service	-	-	-	-	-	713,268
Academic Support	218,952	717,157	25,631	191,094	1,152,834	252,457
Student Services	1,292,857	100,068	178,464	732,282	2,303,671	1,354,686
Institutional Support	28,283	148,435	16,738	-	193,456	527,840
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	3,888,360	3,888,360	3,477,424
Total Restricted Educational Activities	1,756,795	2,316,583	271,872	5,026,115	9,371,365	8,376,545
Total Educational Activities	11,834,899	2,316,583	979,624	12,087,267	27,218,373	23,277,717
Auxiliary Enterprises	273,560		45,460	1,547,440	1,866,460	1,614,768
Depreciation Expense - Buildings and other real estate improvements				367,516	367,516	367,516
Depreciation Expense - Equipment and furniture				256,966	256,966	377,289
Total Operating Expenses	\$ 12,108,459	\$ 2,316,583	\$ 1,025,084	\$ 14,259,189	\$ 29,709,315	\$ 25,637,290
					(Exhibit 2)	(Exhibit 2)

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2009 Total</u>	<u>2008 Total</u>
NON-OPERATING REVENUES:					
State Allocations:					
Education and general state support	\$ 7,004,659			\$ 7,004,659	\$ 6,816,007
State group insurance		1,113,202		1,113,202	1,012,234
State retirement matching		554,603		554,603	485,188
Maintenance ad valorem taxes	1,786,167			1,786,167	1,678,336
Federal Revenue, Non operating	-	12,419,180		12,419,180	-
Gifts		7,465		7,465	132,225
Investment income	21,031	113,169	-	134,200	233,371
Gain on sale of investment				-	-
Contributions in aid of construction				-	-
Other non-operating revenue	47,320			47,320	30,124
	<hr/>			<hr/>	<hr/>
Total non-operating revenues	8,859,177	14,207,619	-	23,066,796	10,387,485
NON-OPERATING EXPENSES:					
Interest on capital related debt		144,750		144,750	144,775
Loss on disposal of capital assets				-	
Other non-operating expense	11,443			11,443	10,970
	<hr/>			<hr/>	<hr/>
Total non-operating expenses	11,443	144,750	-	156,193	155,745
	<hr/>			<hr/>	<hr/>
Net non-operating revenues	8,847,734	14,062,869	-	22,910,603	10,231,740
				(Exhibit 2)	(Exhibit 2)

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

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	1,376,101			\$ 1,376,101	\$ 1,376,101		
Board Designated				-	-		
Restricted		582,830		582,830		582,830	
Auxiliary enterprises	1,550,593			\$ 1,550,593	1,550,593		
Loan				-			
Endowment:							
Quasi:							
Unrestricted							
Restricted			514,263	514,263		514,263	
Endowment							
True							
Term (per instructions at maturity)							
Life Income Contracts							
Annuities							
Plant:							
Unexpended	1,641,263			1,641,263	1,641,263		
Renewals							
Debt Service			362,489	362,489		362,489	
Investment in Plant				6,959,071	6,959,071		6,959,071
Total Net Assets, August 31, 2009	\$ 4,567,957	\$ 582,830	\$ 876,752	\$ 6,959,071	\$ 12,986,610	\$ 4,567,957	\$ 8,418,653
					(Exhibit 1)		
Total Net Assets, August 31, 2008	4,548,815	555,076	865,196	6,870,205	12,839,292	4,548,815	8,290,477
					(Exhibit 1)		
Net Increase (Decrease) in Net Assets	\$ 19,142	\$ 27,754	\$ 11,556	\$ 88,866	\$ 147,318	\$ 19,142	\$ 128,176
					(Exhibit 2)		

Coastal Bend College

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. Department of Education			
Direct Programs:			
SEOG*	84.007		122,058
Title V	84.021S		585,797
Federal College Workstudy Program*	84.033		133,317
TRIO Student Support Services*	84.042		248,910
TRIO Educational Talent Search*	84.033		511,765
TRIO Upward Bound*	84.047		383,330
TRIO Upward Bound GOST*	84.047A		246,025
Federal Pell Grant*	84.063		7,150,676
Direct Loans*	84.268		3,469,943
Academic Competitiveness Grant*	84.375		153,156
Pass-Through From:			
Texas Education Agency			
Adult Basic Education	84.002		140,459
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	84211	378,121
Total U.S. Department of Education			13,523,557
U.S. General Services Administration			
Pass-Through From:			
Texas Facilities Commission			
Federal Surplus Property	39.003		23,745
Department of Health and Human Services			
TANF	93.558		36,391
Total Federal Financial Assistance			13,583,693

Notes to Schedule on Following Page.

* Indicates Clustered Program under OMB Circular A-133 Compliance Supplement

SCHEDULE E (Continued)

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	1,140,768
Add: Federal Revenue--per Schedule C	12,419,180
Add: Tex. Building and Purchasing Commission	23,745
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<hr/> <u>13,583,693</u>

Note 2: Significant accounting policies used in preparing the schedule.

The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the college for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Coastal Bend College

SCHEDULE F

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	9920050M	\$ 16,637
T.E.X.A.S. Grant		581,501
TX Educ Opportunity Grant Program		72,550
L E A P		6,574
S L E A P		8,290
Nursing Grant		335
State Adult Education	88010044-1	45,730
P-16		19,103
	SUB-TOTAL	<u>750,720</u>
Pass-Through From:		
Beeville Independent School District		
Summer Discovery		<u>22,230</u>
Total State Financial Assistance		\$ <u>772,950</u>

Notes to Schedule on Following Page.

SCHEDULE F (Continued)

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	
State Financial Assistance	
Per Schedule of expenditures of state awards	\$ 772,950
State Financial Assistance	
Continuing Education tuition and fees included in Schedule A captioned "Tuition and Fees"	<u>0</u>
Total State Revenues per Schedule A	\$ <u>772,950</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for the Coastal Bend College's significant accounting policies. These expenditures are reported on Coastal Bend College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

Single Audit Section

Lovvorn & Kieschnick, LLP
418 Peoples Street, Suite 308
Corpus Christi, Texas 78401

Independent Auditor's Report

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*

Board of Trustees
Coastal Bend College
Beeville, Texas 78102

Members of the Board of Trustees:

We have audited the basic financial statements of Coastal Bend College (the College) as of and for the year ended August 31, 2009, and have issued our report thereon dated December 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the State of Texas, *Uniform Grant and Contract Management Standards (UGCMS)*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the previous paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Coastal Bend College's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting

principles such that there is more than a remote likelihood that a misstatement of Coastal Bend College's financial statements that is more than inconsequential will not be prevented by Coastal Bend College's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-1 and 09-2 to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that none of the significant deficiencies described above is a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coastal Bend 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 and UGCMS*.

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

Public Funds Investment Act

We have performed tests designed to verify Coastal Bend College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2009, no instances of noncompliance were found.

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

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

December 28, 2009

Lovvorn & Kieschnick, LLP
418 Peoples Street, Suite 308
Corpus Christi, Texas 78401

Independent Auditor's Report

Report on Compliance with Requirements Applicable
to Each Major Program and Internal Control over Compliance
in Accordance with OMB Circular A-133

Board of Trustees
Coastal Bend College
Beeville, Texas 78102

Members of the Board of Trustees:

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the State of Texas, *Uniform Grant and Contract Management Standards (UGCMS)*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Coastal Bend College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

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

Internal Control Over Compliance

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

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

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

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

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

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

December 28, 2009

COASTAL BEND COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2009

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Student Financial Assistance Programs Cluster:
	Federal Supplemental Education Opportunity Grant Program
84.007	
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Loan Program
84.375	Academic Competitiveness Grant
84.03	Title V
84.048	Carl Perkins Vocational Education

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

COASTAL BEND COLLEGE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED AUGUST 31, 2009**

3. State Awards

Internal control over major programs:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with State of
Texas Single Audit Circular Yes X No

Identification of major programs:

Grant Number

Name of State Program

N/A

T.E.X.A.S. Grant

Dollar threshold used to distinguish between
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

COASTAL BEND COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED AUGUST 31, 2009

B. Financial Statement Findings

Significant deficiencies identified that are not considered to be material weaknesses:

Reference number 09-1, reconciliations of bank accounts, accounts receivable, and accounts payable

CRITERIA: Accurate asset and liability information is essential in preparing reliable financial statements during the year and at year end. Management of the College is responsible for establishing and maintaining internal controls that ensure that reconciliations of the financial accounts are timely prepared.

CONDITION: During the audit, we noted that certain bank accounts, accounts receivable, and accounts payable were not being reconciled on a timely basis. Although the findings are similar to prior year findings, significant progress has been made in correcting the condition by a new Business Manager hired in July 2008.

CAUSE: A significant factor in the cause is that the condition is a carryover from 2007 and 2008, when the Business Office operated without experienced personnel in the vacated positions of Business Manager and Controller. This resulted in other Business Office personnel taking on extra duties in which they were not experienced.

EFFECT: Inaccurate account balances in the general ledger could cause the College's financial statements to be misstated during the year and at year end.

RECOMMENDATION: Management, with Board oversight, should ensure that internal controls are in place and are being adhered to for the timely reconciliation of bank accounts, accounts receivable, and accounts payable.

Reference number 09-2, financial reporting information

CRITERIA: Pertinent financial information should be identified, captured, and distributed in a form and timeframe that supports the achievement of financial reporting objectives.

CONDITION: During the course of our audit, various members of the audit team were unable to obtain requested financial information in a timely manner.

CAUSE: One factor causing this condition is the continuing issue of the reconciliation of accounts as listed in reference number 09-1. Also, we feel that another factor is the shortage of Business Office personnel with strong accounting skills. A shortage of personnel with strong accounting skills creates a barrier to establishing policies related to reliable financial reporting and implementing corresponding procedures resulting in management directives being carried out.

EFFECT: This condition contributed to the delay in having the College's Annual Financial Report completed in a timely manner. It could impede the achievement of other financial reporting objectives of the College.

COASTAL BEND COLLEGE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED AUGUST 31, 2009**

RECOMMENDATION: Emphasis should be placed on completing the correction of the remaining reconciliation issues. Also, consideration should be given to hiring a controller with strong accounting skills to assist in the operations of the College Business Office and to help oversee the tasks of other Business Office personnel.

C. Federal/State Award Findings and Questioned Costs

NONE

COASTAL BEND COLLEGE
SCHEDULE OF CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2009

Corrective Action Plan

Reference number 09-1, reconciliations of bank accounts, accounts receivable, and accounts payable

Contact person: Ruth Cude, Dean of Administrative Services --

There has been significant progress made in the reconciliation of bank accounts, accounts receivable, and accounts payable. Posting of transactions from the main bank account into the general ledger has been automated so that cleared checks are posted daily. Posting from student receivables is now done on a daily basis. Posting from the third party deferred payment processor is also posted on a daily basis.

During the year, a systematic analysis of all transactions flowing into the bank accounts was undertaken. Several reports were written to enhance reconciliation between the student billing system and the general ledger. One individual is reviewing cash transactions on a daily basis so that any issues can be resolved quickly.

A review of accounts receivable during the year indicated that processes were not in place to follow up on billings and receivables. There were manual adjustments being made with no documentation or follow up. This process has now been changed and manual adjustments are no longer being made. In analyzing receivables, it was necessary to design various reports and to correct various transaction codes which control posting to the general ledger accounts. There is only one account receivable for which there is an aging report.

Accounts payable were analyzed during the year. The aging report does not currently support all types of payable accounts.

During Fiscal Year 2010, the Business Manager will take information gained from the analyses above and utilizing processes put into place during Fiscal Year 2009 will ensure that formal, current reconciliations are timely completed.

Reference number 09-2, financial reporting information

Contact person: Ruth Cude, Dean of Administrative Services --

During the audit, there were some requests for information in formats which were not readily available. This information was produced as quickly as possible. The main issue, though, was lack of accounting skills in the Business Office. Other than the Business Manager, there is no one with the ability to prepare reports or to review reports prepared by others. The Business Manager felt that staff in the Business Office could be developed to perform many of the reporting duties with oversight, but such is not the case. Another professional is needed to manage the Business Office.

COASTAL BEND COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2009

Finding/Recommendation

Financial Statement Findings

Material Weaknesses Identified:

Reference number 07-1, reconciliations of bank accounts, accounts receivable, and accounts payable

CRITERIA: Accurate asset and liability information is essential to prepare reliable financial statements during the year and at year end. Management of the College is responsible for establishing and maintaining internal controls that ensure that reconciliations of the financial accounts are timely prepared.

CONDITION: During the audit, we noted that bank accounts, accounts receivable, and accounts payable were not being properly reconciled on a timely basis. The general operating bank account had not been properly reconciled throughout the past fiscal year. Student receivable accounts also had not been accurately reconciled throughout the past fiscal year.

CAUSE: During the fiscal year ended August 31, 2007, both the Business Manager and the Controller resigned from the College. The position for the Business Manager was not filled until October, 2007, and the Controller's position was filled in February, 2008. From April, 2007 until February, 2008, the Business Office operated without experienced personnel in these key management positions. During this period of time, the Business Office operated with an Interim Business Manager and with other Business Office personnel taking on extra duties in which they were not experienced.

EFFECT: Inaccurate account balances in the general ledger could cause the College's financial statements to be materially misstated during the year and at year end.

RECOMMENDATION: Management, with Board oversight, should ensure that internal controls are in place and are being adhered to for the timely reconciliation of bank accounts, accounts receivable, and accounts payable.

CURRENT STATUS Although significant progress has been made in correcting the condition, it still remains a significant deficiency, but not considered to be a material weakness. See reference number 09-1 listed under section B. "Financial Statement Findings."

MANAGEMENT'S EXPLANATION Contact Person: Ruth Cude, Dean of Administrative Services --

The timely reconciliation of all cash, receivable, and payable accounts has been a goal during Fiscal Year 2009. Significant progress has been made in that all accounts have been reviewed and required changes in processing, reviewing, and internal business office reporting have been made. The addition of another accounting professional to manage the business office is needed to ensure that current processes and reconciliations continue.

Statistical Supplement

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

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 6,959	\$ 6,870	\$ 7,234	\$ 7,564	\$ 7,334	\$ 7,193	\$ 8,369	\$ 8,088
Restricted - expendable	583	550	550	591	488	420	326	299
Restricted - nonexpendable	877	870	829	987	1,019	948	941	948
Unrestricted	4,568	4,549	4,154	4,771	4,893	5,009	3,146	5,278
Total primary government net assets	\$12,987	\$12,839	\$12,767	\$ 13,913	\$ 13,734	\$ 13,570	\$ 12,782	\$ 14,613

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

Coastal Bend College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to 2009
(unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$3,351	\$3,807	\$3,667	\$3,213	\$3,488	\$2,944	\$2,585	\$2,360
Governmental Grants and Contracts								
Federal Grants and Contracts	1,141	9,591	8,626	8,939	8,259	7,662	6,934	5,717
State Grants and Contracts	773	753	475	430	403	374	1,017	578
Local Grants and Contracts	21	52	145	70				
Non-Governmental Grants and Contracts	129	88	92	223	242	55	219	128
Sales and services of educational activities	139	124	145	171	136	201	55	100
Auxiliary enterprises	1,275	1,014	1,137	1,153	1,164	1,173	1,198	1,009
Other Operating Revenues	117	49	40	16	11	24	52	113
Total Operating Revenues	6,946	15,478	14,327	14,215	13,703	12,433	12,060	10,005
State Appropriations	8,673	8,313	8,475	8,484	8,235	8,228	8,215	8,475
Ad Valorem Taxes	1,786	1,678	1,551	1,480	1,431	1,352	942	867
Federal Non-Operating Grants	12,419	0	0	-	-	-	-	-
Gifts	7	132	116	40	22	12	29	54
Investment income	134	233	535	295	218	510	389	374
Other non-operating revenues	47	30	31	26	-	33	11	-
Total Non-Operating Revenues	23,066	10,386	10,526	10,325	9,906	10,135	9,586	9,770
Total Revenues	\$ 30,012	\$ 25,864	\$ 24,853	\$ 24,540	\$ 23,609	\$ 22,568	\$ 21,646	\$ 19,775

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	11.16%	14.72%	14.75%	13.09%	14.77%	13.05%	11.94%	11.93%
Governmental grants and contracts								
Federal grants and contracts	3.80%	37.08%	34.71%	36.43%	34.98%	33.95%	32.03%	28.91%
State grants and contracts	2.58%	2.91%	1.91%	1.75%	1.71%	1.66%	4.70%	2.92%
Local grants and contracts	0.07%	0.20%	0.58%	29.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.43%	0.34%	0.37%	0.91%	1.03%	0.24%	1.01%	0.65%
Sales and services of educational activities	0.46%	0.48%	0.59%	0.70%	0.58%	0.89%	0.25%	0.51%
Auxiliary enterprises	4.25%	3.92%	4.57%	4.70%	4.93%	5.20%	5.53%	5.10%
Other operating revenues	0.39%	0.19%	0.16%	0.07%	0.05%	0.11%	0.24%	0.57%
Total Operating Revenues	23.14%	59.84%	57.65%	58%	58.04%	55.09%	55.71%	50.59%
State appropriations	28.90%	32.14%	34.10%	35%	34.88%	36.46%	37.95%	42.86%
Ad valorem taxes	5.95%	6.49%	6.24%	6.03%	6.06%	5.99%	4.35%	4.38%
Federal Non-Operating Grants	41.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	0.02%	0.51%	0.47%	0.16%	0.09%	0.05%	0.13%	0.27%
Investment income	0.45%	0.90%	1.42%	1.20%	0.92%	2.26%	1.80%	1.89%
Other non-operating revenues	0.16%	0.12%	0.12%	0.11%	0.00%	0.15%	0.05%	0.00%
Total Non-Operating Revenues	76.86%	40.16%	42.35%	42.07%	41.96%	44.91%	44.29%	49.41%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$9,272	\$9,397	\$9,109	\$8,439	\$8,027	\$7,379	\$8,669	\$7,517
Public service	28	930	855	715	423	560	733	939
Academic support	1,955	1,385	1,639	1,517	1,612	1,485	1,774	1,457
Student services	3,525	2,305	2,555	2,583	2,505	2,326	2,084	2,034
Institutional support	4,493	3,569	3,348	3,240	2,687	2,473	3,050	2,744
Operation and maintenance of plant	3,937	2,138	2,170	2,333	2,026	2,178	2,190	1,788
Scholarships and fellowships	4,009	3,553	3,386	2,963	3,447	1,760	2,432	2,203
Auxiliary enterprises	1,866	1,615	2,063	1,707	1,856	1,882	2,158	1,571
Depreciation	624	745	706	713	675	993	388	350
Total Operating Expenses	29,709	25,637	25,831	24,210	23,258	21,036	23,478	20,603
Interest on capital related debt	145	145	156	152	156	160		2
Other Non-Operating Expenses	11	11	12	12	93			
Total Non-Operating Expenses	156	156	168	164	249	160	-	2
Total Expenses	\$29,865	\$25,793	\$25,999	\$ 24,374	\$ 23,507	\$ 21,196	\$ 23,478	\$ 20,605

	For the Year Ended August 31, (amounts expressed in thousands)							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	31.05%	36.43%	35.04%	34.62%	34.15%	34.81%	36.92%	36.48%
Public service	0.09%	3.61%	3.29%	2.93%	1.80%	2.64%	3.12%	4.56%
Academic support	6.55%	5.37%	6.30%	6.22%	6.86%	7.01%	7.56%	7.07%
Student services	11.80%	8.94%	9.83%	10.60%	10.66%	10.97%	8.88%	9.87%
Institutional support	15.04%	13.84%	12.88%	13.29%	11.43%	11.67%	12.99%	13.32%
Operation and maintenance of plant	13.18%	8.29%	8.35%	9.57%	8.62%	10.28%	9.33%	8.68%
Scholarships and fellowships	13.42%	13.78%	13.02%	12.16%	14.66%	8.30%	10.36%	10.69%
Auxiliary enterprises	6.25%	6.26%	7.93%	7.00%	7.90%	8.88%	9.19%	7.62%
Depreciation	2.09%	2.89%	2.72%	2.93%	2.87%	4.68%	1.65%	1.70%
Total Operating Expenses	99.48%	99.40%	99.35%	99.33%	98.94%	99.25%	100.00%	99.99%
Interest on capital related debt	0.48%	0.56%	0.60%	0.62%	0.66%	0.75%	0.00%	0.01%
Other Non-Operating Expenses	0.04%	0.04%	0.05%	0.05%	0.04%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	0.52%	0.60%	0.65%	0.67%	1.06%	0.75%	0.00%	0.01%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Coastal Bend College
 Statistical Supplement 4
 Tuition and Fees
 Last Ten Academic Years
 unaudited)

Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	Technology Fees	Student Activity Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2009	\$ 40	\$ 61	\$ 120	\$ 0	\$ 0	\$ 772	\$ 1,480	10.29%	5.11%
2008	40	55	114	0	0	700	1,408	0.00%	0.00%
2007	40	55	114	0	0	700	1,408	0.00%	0.00%
2006	40	55	114	0	0	700	1,408	0.00%	0.00%
2005	40	55	114	0	0	700	1,408	13.64%	46.06%
2004	40	48	77	0	0	616	964	5.48%	9.05%
2003	20	44	69	0	3	584	884	32.73%	19.46%
2002	20	32	57	0	3	440	740	15.79%	19.35%
2001	20	27	47	0	3	380	620	10.47%	13.14%
2000	20	24	41	0	3	344	548	21.13%	12.30%

Non - Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Student Activity Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2009	\$ 40	\$ 135	\$ 135	\$ 0	\$ 0	\$ 1,660	\$ 1,660	4.53%	4.53%
2008	40	129	129	0	0	1,588	1,588	0.00%	0.00%
2007	40	129	129	0	0	1,588	1,588	0.00%	0.00%
2006	40	129	129	0	0	1,588	1,588	0.00%	0.00%
2005	40	129	129	0	0	1,588	1,588	34.58%	34.58%
2004	40	95	95	0	0	1,180	1,180	6.12%	6.12%
2003	20	91	91	0	0	1,112	1,112	19.31%	19.31%
2002	20	76	76	0	0	932	932	6.88%	6.88%
2001	20	71	71	0	0	872	872	55.71%	55.71%
2000	20	45	45	0	0	560	560	12.00%	12.00%

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

Coastal Bend College
 Statistical Supplement 5
 Assessed Value and Taxable Assessed Value of Property
 Last Nine Fiscal Years
 (unaudited)

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2008-09	1,954,214,840	763,658,409	1,190,556,431	60.92%	\$ 0.152220	-	\$ 0.152220
2007-08	1,777,594,146	754,679,135	1,022,915,011	57.54%	0.163010	-	0.163010
2006-07	1,540,154,870	561,491,587	978,663,283	63.54%	0.153690	-	0.153690
2005-06	1,372,831,170	470,532,609	902,298,561	65.73%	0.161890	-	0.161890
2004-05	1,300,336,185	466,207,325	834,128,860	64.15%	0.161890	-	0.161890
2003-04	1,060,419,160	291,892,827	768,526,333	72.47%	0.177000	-	0.177000
2002-03	1,074,941,960	293,891,144	781,050,816	72.66%	0.177000	-	0.177000
2001-02	985,740,790	292,401,780	693,339,010	70.34%	0.125652	-	0.125652
2000-01	900,479,180	300,492,750	599,986,430	66.63%	0.139210	-	0.139210

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

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

Fiscal Year	State Appropriation	FTSE (a)	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
			State Appropriation per FTSE		Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	
2008-09	8,672,464	6,373.00	\$ 1,361		1,046,734	629,300	1,676,034	\$ 5.17
2007-08	8,313,429	5,542.92	1,500		920,360	716,480	1,636,840	5.08
2006-07	8,474,596	5,217.47	1,624		836,584	539,808	1,376,392	6.16
2005-06	8,483,805	5,635.84	1,505		862,824	733,617	1,596,441	5.31
2004-05	8,234,860	6,504.59	1,266		999,711	936,008	1,935,719	4.25
2003-04	8,227,710	6,416.00	1,282		993,088	968,663	1,961,751	4.19
2002-03	8,215,244	6,300.33	1,304		1,070,799	947,717	2,018,516	4.07
2001-02	8,475,127	6,094.08	1,391		983,535	854,600	1,838,135	4.61
2000-01	8,310,271	6,087.00	1,365		988,479	916,527	1,905,006	4.36
1999-00	7,939,250	5,999.41	1,323		885,216	798,297	1,683,513	4.72

Notes:

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

- (a) Source CBM001
- (b) Source CBM00A

Coastal Bend College
Statistical Supplement 7
Principal Taxpayers
Fiscal Year 2009
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)	
		2009	
Wai-Mart Stores Texas LP		\$	8,765
Beeville Investment Partners			8,576
Wai-Mart Stores Texas LP			8,397
Milagro Exploration LLC			5,405
H E Butt Grocery Co			8,220
First National Bank of Beeville			5,405
Dunn Howard L Estate			2,297
Aztec Chevrolet LLC			2,209
Beeville Properties LLC			1,804
SoTX Lodging Inc			1,636
Blackburn Linda K			836
Vrana Holdings LLC			320
Pilgrim Alan R & Robin B			320
Mendez Federico LLC			307
M & P Leasing LLC			273
French Ellison TRK CTR			225
Wright Westley & Nicole			210
Denham David I			202
martin Pat I			161
Govzales Jovita S Trustee			153
Totals		\$	55,718
Taxable Assessed Value			\$1,190,556

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year	
		2009	
Wai-Mart Stores Texas LP			0.74%
Beeville Investment Partners			0.72%
Wai-Mart Stores Texas LP			0.71%
Milagro Exploration LLC			0.45%
H E Butt Grocery Co			0.69%
First National Bank of Beeville			0.45%
Dunn Howard L Estate			0.19%
Aztec Chevrolet LLC			0.19%
Beeville Properties LLC			0.15%
SoTX Lodging Inc			0.14%
Blackburn Linda K			0.07%
Vrana Holdings LLC			0.03%
Pilgrim Alan R & Robin B			0.03%
Mendez Federico LLC			0.03%
M & P Leasing LLC			0.02%
French Ellison TRK CTR			0.02%
Wright Westley & Nicole			0.02%
Denham David I			0.02%
martin Pat I			0.01%
Govzales Jovita S Trustee			0.01%
Totals			4.69%

Source: Local County Appraisal District

Note: This institution previously did not present this schedule and chose to implement prospectively.

Coastal Bend College
Statistical Supplement 8
Property Tax Levies and Collections
Last Two Tax Years
 (unaudited)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Current Collections of Prior Levies (d)	Total Collections (C+D)
2009	1,809,971	(1,641)	1,808,330	1,728,932	95.61%	30,027	1,758,959
2008	1,667,454	(15,094)	1,652,360	1,588,592	96.14%	48,965	1,637,557

Source: Local Tax Assessor/Collector and District records.

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

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

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

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

Note: This institution previously did not present this schedule and chose to implement prospectively.

Coastal Bend College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Three Years
(unaudited)

Data Presented in 000's

Years Ended 8/31

	2009	2008	2007
General Bonded Debt			
General obligation bonds	\$ -	\$ -	\$ -
Notes	-	-	-
Less: Funds restricted for debt service	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -
Other Debt			
Revenue bonds	\$ 3,445	\$ 3,635	\$ 3,820
Notes	-	-	-
Capital lease obligations	-	-	-
Total Outstanding Debt	\$ 3,445	\$ 3,635	\$ 3,820
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
General Bonded Debt Ratios			
Per Capita	\$ -	\$ -	\$ -
Per FTSE	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios			
Per Capita (1)	\$ -	\$ 105.66	\$ 116.86
Per FTSE	\$ 540.56	\$ 655.78	\$ 732.64
As a percentage of Taxable Assessed Value	0.29%	0.36%	0.39%

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

(1) 2009 Data not available.

This is the first year for this report and the College has chosen to implement it prospectively.

Coastal Bend College
Statistical Supplement 10
Legal Debt Margin Information
Last Two Fiscal Years
 (unaudited)

	For the Year Ended August 31	
	2009	2008
Taxable Assessed Value	<u>\$ 1,190,556,431</u>	<u>\$ 1,022,915,011</u>
General Obligation Bonds		
Statutory Tax Levy Limit for Debt Service	5,952,782	5,114,575
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-
Total Net General Obligation Debt	<u>5,952,782</u>	<u>5,114,575</u>
Current Year Debt Service Requirements	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 5,952,782</u>	<u>\$ 5,114,575</u>
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%

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.

Note: This institution previously did not present this schedule and chose to implement prospectively.

Coastal Bend College
 Statistical Supplement 11
 Pledged Revenue Coverage
 Last Ten Fiscal Years
 (unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)									Debt Service Requirements (\$000 omitted)			
	Tuition	Out of District Fees	Registration Fees	Laboratory Fees	Dormitory Fees	Interest Income	Cafeteria Commission	Bookstore Commission	Total	Principal	Interest	Total	Coverage Ratio
2009	\$ 917	\$ 656	\$ 362	\$ 649					\$ 2,584	\$ 190	\$ 139	329	7.85
2008	784	641	315	516					2,256	185	144	329	6.86
2007	770	612	313	441					2,136	180	149	329	6.49
2006	771	621	309	484					2,185	175	152	327	6.68
2005	826	358	346	460					1,990	170	156	326	6.10
2004	754	306	183	457					1,700	160	165	325	5.23
2003									-	-	-	-	0.00
2002					143		14		157	50	5	55	2.85
2001					138		14		152	45	5	50	3.04
2000					145		12		157	45	9	54	2.91
					154		11		165	40	12	52	3.17

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

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income per Capita	District Unemployment Rate
2008	32,661	(1)	(1)	6.3
2007	32,654	682,030	20,887	6.0
2006	33,176	629,290	19,366	6.4
2005	32,873	577,845	17,578	7.1
2004	33,018	551,887	16,715	7.8
2003	33,188	525,580	15,836	8.1
2002	32,279	497,470	15,412	7.2
2001	32,227	495,984	15,390	6.1
2000	32,270	483,187	14,973	6
1999	27,534	460,056	16,709	6.1

Source:

Population from U.S. Bureau of the Census.
 Personal Income from U.S. Bureau of Economic Analysis.
 Unemployment rate from Texas WorkForce Commission.

Note:

(1) Not Yet Available

**Coastal Bend College
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(unaudited)**

Employer	Number of Employees	Percentage of Total Employment (2)
TDCJ-McConnell Unit	622	6.26%
TDCJGarza Unit West	607	6.10%
TDCJ-Garza Unit East	406	4.08%
Beevill I. S. D.	550	5.53%
U. S. Army Aviation and Missile Command	300	3.02%
Christus Spohn Hospital	290	2.92%
Coastal Bend College	250	2.51%
H. E. B. Grocery	185	1.86%
Wal-Mart	140	1.41%
City of Beeville	125	1.26%
Skidmore-Tynan I.S.D.	110	1.11%
Total	3,585	36.05%

Source:

Texas Workforce Commission
Bee Development Authority

Note:

This institution previously did not present this schedule and chose to implement prospectively.

Coastal Bend College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Current Fiscal Year
(unaudited)

	<u>Fiscal Year</u>
	<u>2009</u>
Faculty	
Full-Time	94
Part-Time	88
Total	<u>182</u>
Percent	
Full-Time	51.6%
Part-Time	48.4%
Staff and Administrators	
Full-Time	139
Part-Time	75
Total	<u>214</u>
Percent	
Full-Time	65.0%
Part-Time	35.0%
FTSE per Full-time Faculty	25.7
FTSE per Full-Time Staff Member	17.4
Average Annual Faculty Salary	\$ 42,681

Note:

This institution previously did not present this schedule and chose to implement prospectively.

Coastal Bend College
 Statistical Supplement 15
 Enrollment Details
 Last Five Fiscal Years
 (unaudited)

Student Classification	Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent
00-30 hours	8374	77.66%	8408	84.04%	7750	80.86%
31-60 hours	1650	15.30%	1587	15.86%	1728	18.03%
>60 hours	759	7.04%	10	0.10%	107	1.12%
Total	<u>10783</u>	<u>100%</u>	<u>10005</u>	<u>100%</u>	<u>9585</u>	<u>100%</u>

Semester Hour Load	Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent
Less than 3	1637	15.18%	2027	20.26%	1177	12.28%
3-5 semester hours	3157	29.28%	2900	28.99%	2865	29.89%
6-8 semester hours	2174	20.16%	1877	18.76%	1946	20.30%
9-11 semester hours	870	8.07%	711	7.11%	740	7.72%
12-14 semester hours	2319	21.51%	1894	18.93%	2105	21.96%
15-17 semester hours	539	5.00%	485	4.85%	543	5.67%
18 & over	87	0.81%	111	1.11%	209	2.18%
Total	<u>10783</u>	<u>100%</u>	<u>10005</u>	<u>100%</u>	<u>9585</u>	<u>100%</u>

Average course load

Tuition Status	Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	3793	35.18%	3982	39.80%	3580	37.35%
Texas Resident (out-of-District)	6889	63.89%	5950	59.47%	5920	61.76%
Non-Resident Tuition	101	0.94%	73	0.73%	85	0.89%
Total	<u>10783</u>	<u>100%</u>	<u>10005</u>	<u>100%</u>	<u>9585</u>	<u>100%</u>

Fall 2005		Fall 2004	
Number	Percent	Number	Percent
8222	79.32%	9071	78.67%
1932	18.64%	1905	16.52%
211	2.04%	554	4.80%
<u>10365</u>	<u>100%</u>	<u>11530</u>	<u>100%</u>

Fall 2005		Fall 2004	
Number	Percent	Number	Percent
1667	16.08%	1928	16.72%
2987	28.82%	2724	23.63%
1911	18.44%	2192	19.01%
912	8.80%	759	6.58%
2108	20.34%	3049	26.44%
520	5.02%	675	5.85%
260	2.51%	203	1.76%
<u>10365</u>	<u>100%</u>	<u>11530</u>	<u>100%</u>

Fall 2005		Fall 2004	
Number	Percent	Number	Percent
4438	42.82%	5005	43.41%
5843	56.37%	6425	55.72%
84	0.81%	100	0.87%
<u>10365</u>	<u>100%</u>	<u>11530</u>	<u>100%</u>

Fall 2005		Fall 2004	
Number	Percent	Number	Percent
4911	47.38%	5419	47.00%
5454	52.62%	6111	53.00%
10365	100%	11530	100%

Fall 2005		Fall 2004	
Number	Percent	Number	Percent
2995	28.90%	3589	31.13%
6778	65.39%	7268	63.04%
384	3.70%	466	4.04%
57	0.55%	72	0.62%
42	0.41%	27	0.23%
47	0.45%	52	0.45%
62	0.60%	56	0.49%
10365	100%	11530	100%

Fall 2005		Fall 2004	
Number	Percent	Number	Percent
1398	13.49%	1497	12.98%
3294	31.78%	3561	30.88%
1068	10.30%	1087	9.43%
2474	23.87%	2849	24.71%
1735	16.74%	2064	17.90%
396	3.82%	472	4.09%
10365	100%	11530	100%

Coastal Bend College
 Statistical Supplement 17
 Transfer to Senior Institutions
 2007 Fall Students as of Fall 2007
 (Includes only public senior colleges in Texas)
 (Unaudited)

Institutions Attended, Fall 2007	Transfer student Count Academic	Transfer student Count Technical	Transfer student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
Aneglo State University	4			4	0.62%
Baylor College of Medicine - Academics				0	0.00%
Lamar University Institute of Technology				0	0.00%
Midwestern State University				0	0.00%
Prairie View A&M University				0	0.00%
San Houston State Universtiy	6			6	0.92%
Southwest Texas State University				0	0.00%
Stephen F. Austin State University	4	1		5	0.77%
Sul Ross State University	1			1	0.15%
Sul Ross State University - Rio Grande College				0	0.00%
Tarleton State University	6			6	0.92%
Texas A& M University - College Station	57	1		58	8.94%
Texas A& M University - Corpus Christi	92	11	4	107	16.49%
Texas A&M International University	10			10	1.54%
Texas A&M University - Galveston	1			1	0.15%
Texas A&M University - Kingsville	230	16	13	259	39.91%
Texas A&M University Commerece				0	0.00%
Texas A&M University System Health Science Center				0	0.00%
Texas Southern University	4				
Texas State University	56		1	57	8.78%
Texas Tech University	10			10	1.54%
Texas Tech University Health Science Center				0	0.00%
Texas Women's University	1			1	0.15%
University of Texas - Austin	37	1		38	5.86%
University of Houston	3	3		6	0.92%
University of Houston - Downtown			1	1	0.15%
University of Houston - University Park				0	0.00%
University of Houston - Victoria	9			9	1.39%
University of North Texas	3			3	0.46%
University of North Texas Health Science Center - Ft. Worth				0	0.00%
University of Texas - Arlington				0	0.00%
University of Texas - Brownsville				0	0.00%
University of Texas - Dallas				0	0.00%
University of Texas - El Paso				0	0.00%
University of Texas - Pan American	9			9	1.39%
University of Texas - San Antonio	53	1	3	57	8.78%
University of Texas - Tyler				0	0.00%
University of Texas Health Science Center - Houston				0	0.00%
University of Texas Health Science Center - San Antonio				0	0.00%
University of Texas Medical Branch Galveston				0	0.00%
University of Texas Southwestern Medical Center - Dallas				0	0.00%
Universtiy of Texas - Permian Basin	1			1	0.15%
West Texas A&M University				0	0.00%
				0	
	597	34	22	649	100%

Coastal Bend College
Statistical Supplement 18
Capital Asset Information
Fiscal Year 2009
(unaudited)

Fiscal Year
2009

Academic buildings	11
Square footage (in thousands)	147
Libraries	2
Square footage (in thousands)	24
Number of Volumes (in thousands)	17,300
Administrative and support buildings	2
Square footage (in thousands)	18
Dormitories	1
Square footage (in thousands)	39
Number of Beds	140
Apartments	20
Square footage (in thousands)	10
Number of beds	40
Dining Facilities	1
Square footage (in thousands)	7
Average daily customers	125
Athletic Facilities	2
Square footage (in thousands)	29
Stadiums	1
Gymnasiums	1
Fitness Centers	1
Tennis Court	6
Plant facilities	1
Square footage (in thousands)	3
Transportation	
Cars	4
Light Trucks/Vans	8
Buses	-

Note:

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