



FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORTS

AUGUST 31, 2024 AND 2023

GALVESTON COMMUNITY COLLEGE DISTRICT

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GALVESTON COMMUNITY COLLEGE DISTRICT

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GALVESTON COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE YEAR ENDED AUGUST 31, 2024

BOARD OF REGENTS

| | | Term Expires <u>May 31,</u> |
|--|------------------|--------------------------------|
| <u>OFFICERS</u> | | |
| Ms. Karen F. Flowers – Chairperson | Galveston, Texas | 2030 |
| Mr. Fred D. Raschke – Vice Chairperson | Galveston, Texas | 2030 |
| Mr. Michael B. Hughes - Secretary | Galveston, Texas | 2026 |

| | | |
|------------------------|------------------|------|
| <u>MEMBERS</u> | | |
| Ms. Mary R. Longoria | Galveston, Texas | 2030 |
| Mr. Armin Cantini | Galveston, Texas | 2028 |
| Ms. Carolyn L. Sunseri | Galveston, Texas | 2026 |
| Mr. Norman S. Hoffman | Galveston, Texas | 2028 |
| Mr. Garrik Addison | Galveston, Texas | 2028 |
| Mr. Raymond Lewis, Jr. | Galveston, Texas | 2026 |

| | |
|-----------------------|--|
| <u>KEY OFFICERS</u> | |
| Myles Shelton, Ed.D. | President |
| Van Patterson, Ed.D. | Vice-President for Administration and Student Services |
| Cissy Matthews, Ed.D. | Vice-President of Instruction |
| Mr. Ron Crumedy | Associate Vice-President for Student Services |



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INDEPENDENT AUDITOR'S REPORT

Board of Regents
Galveston Community College District
Galveston, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Galveston Community College District (the College) as of and for the years ended August 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2024 and 2023, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 33, and the schedules of College's proportionate share of net pension liability, College's contributions for pensions, College's proportionate share of net OPEB liability and College's contributions for OPEB on pages 68, 69, 71 and 72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Expenditures of Federal Awards for the year ended August 31, 2024, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the supplementary schedules on pages 74 through 77, as required by the Texas Higher Education Coordinating Board (THECB) (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

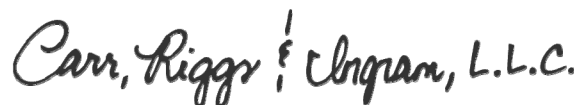
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Houston, Texas
December 27, 2024

GALVESTON COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Galveston Community College District's (the College or Galveston College) Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2024 and 2023. Since management's discussion and analysis is designed to focus on current activities, and currently known facts, please read this in conjunction with the College's financial statements and the notes thereto.

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The notes to the financial statements are considered an integral part of the financial statements and should be read in conjunction with them. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of the financial statements and notes.

The College's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2024 and 2023; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the current and prior fiscal years; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the current and prior fiscal years. Highlighted information from each basic financial statement is presented below:

Financial Highlights for 2024

- As of August 31, 2024, the College's net position stood at \$46 million, reflecting a \$5.4 million increase (13.3%) compared to 2023. The ongoing impact of GASB No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions) implemented in fiscal year 2018, and GASB No. 68 (Accounting and Financial Reporting for Pensions) in 2015, continues to influence the financial statements, reducing the College's overall net position by \$17.8 million. The College's unrestricted net position increased by \$2.6 million (22%), with cash and cash equivalents rising slightly by \$126,000, primarily due to a surplus from operations.
- For fiscal year 2024, the College reduced its annual tax rate by 6%, from \$0.132 to \$0.124 per \$100 of assessed valuation. Despite this reduction, growth in the overall tax base of existing properties and new construction resulted in an additional \$1.66 million (10%) in property tax revenue compared to the previous year.
- Galveston College reached substantial completion on construction of its new Nursing and Health Sciences Center in May 2024, with the facility opening to students in Fall 2024. This state-of-the-art Health Sciences Education Center includes offices, classrooms, labs, simulation facilities, lecture halls, and study areas to support the College's expanding Nursing and Health Sciences programs. The project was funded through bonds with a favorable true interest cost (TIC) of 2.66%, a benefit to the College as interest rates have more than doubled since issuance. The College capitalized \$34.1 million for the building's construction and infrastructure, the remaining \$2.99 million of construction in progress is tied to the ongoing renovations of vacated nursing and health science spaces \$1.4 million and \$1.5 million associated with replacing the College's electrical transformer.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2024 – Continued

- Galveston College's enrollment continued to recover from COVID-19-related declines, with a Fall 2024 headcount of 2,405 a 13.5% increase from 2,119 in Fall 2023 and a 17% increase from 2,060 in Fall 2020, the first major term post-pandemic. The new Health Sciences Education Center expanded capacity for the College's healthcare programs, contributing to enrollment growth and providing students with pathways to rewarding careers in the medical field. In May 2024, the college conferred 681 degrees and certificates to 554 students, which included 44 dual credit students from Ball High School. Dual credit enrollment, students earning college credit while in high school increased 58% in Fall 2024 compared to Fall 2023.
- Fiscal year 2024 marked the shift to performance-based funding for community colleges in Texas, with the passage of Texas House Bill 8 (HB 8). This bill ties funding to student success metrics, such as the awarding of valuable credentials, successful transfers to four-year universities, and completion of dual credit courses that prepare students for in-demand careers opposed to prior funding models tied primarily to enrollment. HB 8 reforms the community college finance system to align its policy and funding incentives with the rapidly changing needs of the workforce. HB 8 also expands dual credit opportunities, allowing high school students to take courses at no additional cost and putting them on pathways to meaningful credentials. The additional \$683 million allocated to the state's community college funding, positions Texas as a leader in outcome-based funding, aligning community college resources with workforce demands and adult learning opportunities. The new funding model resulted in Galveston College receiving an increase of \$452,000 (7.7%) in funding for fiscal year 2024 and an additional projected 7% increase for fiscal year 2025 compared to fiscal year 2024.
- Galveston College renovated key areas on campus to enhance its facilities for 21st-century learners, recognizing that building design has a measurable impact on student outcomes. With the completion of the Health Sciences Education Center in fiscal year 2024, the College is in the process of remodeling/repurposing this vacated space to create new offices, classrooms, and a relocated Student Success Center, aligning with its master plan. Despite a 11% increase in rental costs across Galveston the past year, the College continues to offer affordable student housing at rates 70% below the island's average of \$1,312 per month for a 1 bed room apartment, supporting enrollment growth in the new Health Sciences Education Center programs. (see Building construction, renovations, and furniture purchases in fiscal year 2024 table for more details.)
- In 2024, the College further invested in information technology infrastructure, expanding "Smart" classroom capabilities and strength network security. Continuing to acquire advanced simulation equipment for Welding, HVAC, Nursing, Health science and Electrical programs to provide students with realistic, hands-on training. The new Nursing Health Science building, design is very similar to that of a hospital including "stretcher elevators" designed to transport patients and medical equipment identical to real world situations. The equipment purchased for the new building was also selected to simulate what will be used in their health care career. The College remains committed to evaluating and adapting its infrastructure to support high-quality education and serve the community's evolving needs since 1967. (see Computers-hardware and software, and equipment purchases in fiscal year 2024 table for more details.)

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2024 – Continued

- Computers - Hardware and Software and Equipment Purchases - Fiscal Year 2024:

| DESCRIPTION | FUNDING SOURCE | AMOUNT |
|---|----------------------------------|--------------------|
| Sonography Machine | Grant - Moody PEF | \$534,000 |
| Radiation Therapy - Seminar Simulator | Grant - Moody PEF | \$184,000 |
| IT - Network Infrastructure Upgrade | Local - Capital Project Fund | \$171,000 |
| IT - Network Security Upgrades | Local - Education & General Fund | \$149,000 |
| IT - Data Storage | Local - Education & General Fund | \$123,000 |
| EMS - Cardiac Monitor/Defibrillator (2) | Grant - Moody PEF | \$69,000 |
| Nuclear Med - E-Camera | Grant - Moody PEF | \$65,000 |
| IT - AV Refresh | Local - Education & General Fund | \$62,000 |
| EMS - Manikin Trainers | Grant - Moody PEF | \$56,000 |
| EMS - Stretcher (6) | Grant - Moody PEF | \$48,000 |
| Sonography - Manikin Trainers | Grant - Moody PEF | \$43,000 |
| Universal Robots UR3e | Grant - True Grant | \$41,000 |
| HVAC - Mini Split Training Unit | Grant - True Grant | \$40,000 |
| Surg Tech - Surgical table (4) | Grant - Perkins | \$38,000 |
| Library - Books | Local - Education & General Fund | \$32,000 |
| IT - Refresh Datacenter | Local - Education & General Fund | \$25,000 |
| Facilities - Scissor Lift | Local - Education & General Fund | \$25,000 |
| Security - Refresh Security Cameras | Local - Education & General Fund | \$25,000 |
| Facilities - Riding Floor Scrubber | Local - Education & General Fund | \$13,000 |
| | TOTAL | \$1,743,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2024 – Continued

- Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2024:

| DESCRIPTION | FUNDING SOURCE | AMOUNT |
|---|----------------------------------|--------------------|
| Health Science Center - Construction | Local - Construction Fund | \$4,661,000 |
| Electrical - Transformer Upgrades- CIP | Local - Construction Fund | \$1,480,000 |
| Health Science Center - Furniture | Local - Construction Fund | \$1,380,000 |
| Backfill Project - Construction in Progress | Local - Construction Fund | \$854,000 |
| General Facility Maintenance | Local - Education & General Fund | \$424,000 |
| Architectural Design - Health Science Center | Local - Construction Fund | \$299,000 |
| HVAC Upgrades | Local - Education & General Fund | \$81,000 |
| Security Infrastructure -Health Science Center | Local - Education & General Fund | \$76,000 |
| Welding Booths (8) | Local - Construction Fund | \$61,000 |
| Architectural Design - Backfill Project - CIP | Local - Construction Fund | \$59,000 |
| Boiler Replacement Central Plant | Local - Education & General Fund | \$54,000 |
| Baseball Field - Resurfacing | Local - Education & General Fund | \$35,000 |
| Renovate ATC Network Cabling | Local - Education & General Fund | \$18,000 |
| Interior Signage Refresh | Local - Education & General Fund | \$12,000 |
| | TOTAL | \$9,494,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2024 – Continued

- Grant Funds Received – Fiscal Year 2024:

| GRANT FUNDED BY | GRANT NAME/PURPOSE | TERM | AMOUNT |
|--|--|------------------------|---------------|
| Moody Methodist Permanent Endowment Fund- Private | Purchase New Equipment for Health Sciences Education Center | 10/27/23 - 08/31/24 | \$1,000,000 |
| National Science Foundation - Federal | Hispanic Serving Institution Program - Institutional Transformation Project | 09/01/23 - 08/31/24 | \$524,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Texas Educational Opportunity Grant | 09/01/23 - 08/31/24 | \$470,000 |
| U.S. Department of Education - Federal | TRIO - Building Bridges to Success Program | 09/01/23 - 08/31/24 | \$296,000 |
| U.S. Department of Education - Federal | TRIO - Upward Bound Program | 09/01/23 - 08/31/24 | \$289,000 |
| U.S. Department of Education - Federal | Title V FY24-FY28 - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College | 10/01/23 - 08/31/24 | \$224,000 |
| U.S. Department of Education - Federal | Title V - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College | 09/01/23 - 09/30/23 | \$204,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Carl D. Perkins Career and Technical Education Program - Basic Grants | 09/01/23 - 08/31/24 | \$197,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Nursing Shortage Reduction Program - Regular | 12/15/23 - 08/31/24 | \$127,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | The Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program | 12/15/23 - 08/31/24 | \$119,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2024 – Continued

| GRANT FUNDED BY | GRANT NAME/PURPOSE | TERM | AMOUNT |
|--|--|------------------------|--------------------|
| Galveston Career Connect - Private | Strengthen Career Skills of High School Students | 09/01/23 - 08/31/24 | \$117,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Nursing & Allied Health - Nursing Innovation Grant Program 2023-2025 | 09/01/23 - 08/31/24 | \$82,000 |
| Greater Texas Foundation - Private | Greater Texas Foundation - Emergency Aid Grant | 09/01/23 - 08/31/24 | \$26,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Texas Reskilling and Upskilling through Education (TRUE) Grant Program 2022 | 09/01/23 - 09/30/23 | \$21,000 |
| U.S. Department of Agriculture-Federal Pass- Through From UTMB | Detection of SARS CoV-2 on Texas Meat and Dairy Farms | 12/27/23 - 08/31/24 | \$17,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Texas College Work Study | 09/01/23 - 08/31/24 | \$12,000 |
| | | TOTAL | \$3,725,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2023

- The College's net position as of August 31, 2023 was \$40.6 million. This represents a 10.46% increase of \$3.8 million compared to 2022. The College's cash/short term investments increased by 11% or \$3.1 million due to a surplus from operations revenue and reduced expenses. The implementation of GASB No. 75 (Retiree Health Insurance) in fiscal year 2018 and its counterpart, GASB No. 68 (TRS Retiree Pension) in fiscal year 2015 continue to dominate the statements of net position, reducing the College's overall net position by \$17.3 million. GASB No. 96 (Subscription Based Information Technology Arrangements) was implemented in the current year, but did not have any impact to net position. Intangible assets and subscription liabilities have been recognized as part of implementation of the standard. The College's unrestricted net position increased \$3.1 million or 35% from \$8.8 million to \$11.9 million in fiscal year 2023.
- The College decreased its annual tax rate by 9.7% from 0.146188 to 0.13200 per \$100 assessed value. However, due to new construction and increasing values of existing properties, an additional \$1.1 million of tax revenue was received over the previous period.
- Galveston College continued the construction of the new Nursing and Health Sciences Building estimated to reach substantial completion in early Spring of 2024. This state-of-the-art Health Sciences Education Center contains offices, classrooms, laboratories, simulation labs, lecture halls, and student study spaces to support the College's flourishing Nursing and Health Sciences programs. The true-interest cost ("TIC") of the bonds was 2.66% with an average life of 15.15 years. The timing of the bond issuance was very favorable to the College as interest rates have more than doubled. The majority of the \$26.7 million of construction in progress is related to this project and the restricted cash of \$8.9 million and equivalents is offset by the non-current liability bond payable of \$31.8 million.
- Galveston College's enrollment has recovered from the declines attributed to COVID-19. Headcount for fall 2023 was 2,119 compared to 2,060 for fall 2020, the major semester prior to the pandemic. The new Health Sciences Education Center will increase the capacity of these programs, continue to grow enrollment, and provide high paying medical careers to the community. Tuition and fees revenue excluding scholarship allowance increased by \$825,000 or 17% compared to 2022.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2023 – Continued

- In an ongoing effort to provide a state-of-the-art learning environment for our students and instructors and to continue to meet the needs of the twenty-first century learner, Galveston College refreshed 49 instructor lectern workstations. This overhaul provides flexibility for the workstations to be used for online or face-to-face instruction and offers students a variety of learning opportunities. As part of the College's three-year computers refresh plan, two additional computer labs were refreshed. There are now 464 computer stations available on campus for students to access. High-tech nurse training manikins and ultrasound machines were purchased to offer students as close to a real-world environment to contribute to a better learning experience in preparation for their lucrative careers. HVAC and EMS high-tech training simulators were purchased in an effort to expand these programs and equip students with the innovative skills employers demand and employees need to advance in their profession. (See Computers - Hardware and Software and Equipment Purchases - Fiscal Year 2023 table for more details.)
- Galveston College continued to demonstrate a strong commitment of a supportive learning physical environment for our students and staff in fiscal year 2023. To enhance the College's comprehensive security program, exterior cameras and lighting were installed to darker areas across campus to expand around-the-clock security and lighting concerns and to deter the potential for criminal activity. The College continued to invest in its facility infrastructure in accordance with its maintenance schedule. An acquisition of property was made to provide for additional student housing opportunities. The College also began upgrading its electrical system which will involve acquiring a new transformer and panel board section, variable frequency drives, primary and secondary pipe loops, and motors. All exterior windows were inspected thereby improving energy efficiency and waterproofing. Parking is always a major concern of students. To address this concern, the College expanded existing parking lots and established new parking areas. Extra signage was installed to increase visibility and improve communications. Campus landscaping received an upgrade to project a professional and appealing environment. In addition, several student areas, such as the Counseling Center, were modernized with new furniture to provide students convenient access to charging stations and power outlets needed to support personal devices in the current "Smartphone" environment. (See Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2023 table for more details.)

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2023 – Continued

- Computers - Hardware and Software and Equipment Purchases - Fiscal Year 2023:

| DESCRIPTION | FUNDING SOURCE | AMOUNT |
|---|----------------------------------|-----------|
| Nursing - Pediatric Manikin Trainers | Federal Grant - GEER II Funds | \$108,000 |
| Computer Lab Refresh - 78 Stations | Local - Education & General Fund | \$97,000 |
| Nursing - Adult Manikin Trainers | Federal Grant - GEER II Funds | \$95,000 |
| HVAC - Virtual Training Simulators | Federal Grant - TRUE GEER Funds | \$95,000 |
| IT - Network Infrastructure Upgrade | Federal Grant - HEERF Funds | \$94,000 |
| Instructor Lectern Workstations (49) | Local - Education & General Fund | \$55,000 |
| Criminal Justice – Active Shooter Training Kits | Federal Grant - TRUE GEER Funds | \$46,000 |
| Radiology – Portable Ultrasound Machines | Local - Construction Fund | \$43,000 |
| IT - Data Storage | Local - Education & General Fund | \$39,000 |
| Criminal Justice - Police Vehicle | Federal Grant - TRUE GEER Funds | \$37,000 |
| Music – Choir Risers | Local - Education & General Fund | \$36,000 |
| Nursing – Neonate Simulator | State Grant - Perkins Funds | \$26,000 |
| EMS - Virtual Training Simulators | Local - Education & General Fund | \$23,000 |
| Radiography – Ultrasound Machines | State Grant - Perkins Funds | \$23,000 |
| IT - Printers Refresh | Local - Education & General Fund | \$22,000 |
| Welding Training Machines (2) | Federal Grant - TRUE GEER Funds | \$21,000 |
| Nuclear Medicine – Hot Lab Dose Calibrator Equipment | State Grant - Perkins Funds | \$15,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2023 – Continued

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|--------------------------------|----------------------------------|------------------|
| EMS - Training Manikin | Local - Education & General Fund | \$14,000 |
| Radiography – Phantom Trainers | State Grant - Perkins Funds | \$12,000 |
| | TOTAL | \$901,000 |

- Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2023:

| DESCRIPTION | FUNDING SOURCE | AMOUNT |
|--|----------------------------------|---------------------|
| Nursing and Health Sciences Building - Construction in Progress | Local - Construction Fund | \$20,863,000 |
| General Facility Maintenance | Local - Education & General Fund | \$960,000 |
| North Parking Lot Expansion | Local - Construction Fund | \$896,000 |
| HVAC - 4 Units Cheney Center and Seibel Wing | Local - Construction Fund | \$286,000 |
| Landscaping - Main Campus | Local - Construction Fund | \$275,000 |
| Property Purchase - 2203 41st St | Local - Construction Fund | \$265,000 |
| Welding Booths (8) – Construction in Progress | Local - Construction Fund | \$228,000 |
| Windows Waterproofing | Local - Construction Fund | \$144,000 |
| Architectural Design – Regents Hall & Northern Center | Local - Construction Fund | \$110,000 |
| Counseling Center - Furniture | Local - Education & General Fund | \$101,000 |
| Electrical - Transformer Upgrades - Construction in Progress | Local - Construction Fund | \$89,000 |
| ATC Building 3 – New Roof | Local - Construction Fund | \$69,000 |
| Main Campus - Mechanical and Electrical Controls Upgrades | Local - Construction Fund | \$45,000 |
| North Parking Lot – Security Cameras | Local - Construction Fund | \$35,000 |
| | TOTAL | \$24,366,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2023 – Continued

- Grant Funds Received – Fiscal Year 2023:

| GRANT FUNDED BY | GRANT NAME/PURPOSE | TERM | AMOUNT |
|--|---|------------------------|---------------|
| National Science Foundation - Federal | Hispanic Serving Institution Program - Institutional Transformation Project | 09/01/22 - 08/31/23 | \$611,000 |
| U.S. Department of Education - Federal | Title V - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College | 09/01/22 - 08/31/23 | \$374,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Texas Reskilling and Upskilling through Education (TRUE) Grant Program 2022 | 09/01/22 - 08/31/23 | \$300,000 |
| U.S. Department of Education - Federal | TRIO - Building Bridges to Success Program | 09/01/22 - 08/31/23 | \$291,000 |
| U.S. Department of Education - Federal | TRIO - Upward Bound Program | 09/01/22 - 08/31/23 | \$291,000 |
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Institutional Portion | 09/01/22 - 06/30/23 | \$247,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Carl D. Perkins Career and Technical Education Program - Basic Grants | 09/01/22 - 08/31/23 | \$232,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | GEER II Fund: COVID-19 Nursing Innovation Grant Program | 02/27/23 - 08/31/23 | \$190,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | GEER Fund: COVID-19 Texas Reskilling and Upskilling for Education (TRUE) Institutional Capacity Grants | 09/01/22 - 09/30/22 | \$147,000 |
| Galveston Career Connect - Private | Strengthen Career Skills of High School Students | 09/01/22 - 08/31/23 | \$54,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2023 – Continued

| GRANT FUNDED BY | GRANT NAME/PURPOSE | TERM | AMOUNT |
|--|--|------------------------|--------------------|
| Greater Texas Foundation- Private | Greater Texas Foundation - Emergency Aid Grant | 09/01/22 - 08/31/23 | \$40,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | College Readiness and Success Models for 60x30TX Co-Req 2018-2020 (CRSM) | 09/01/22 - 08/31/23 | \$10,000 |
| | | TOTAL | \$2,787,000 |

Statements of Net Position

The statements of net position present financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The College's deferred inflows and outflows of resources relates to pensions and OPEB. Increases and decreases to net position are one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention and other non-financial information. The statements are also useful in determining the assets available to continue operations as well as how much the College owes to vendors and creditors at the end of the fiscal year.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Net Position - Continued

In order to show the trends for the two years shown in the Statements of Net Position (Exhibit 1), a summary of three years of data for the years ended August 31 follows:

**Net Position
(in thousands)**

| | <u>2024</u> | <u>2023</u> | Increase (Decrease) 2024 - <u>2023</u> | <u>2022</u> (Restated) | Increase (Decrease) 2023 - <u>2022</u> |
|--|-------------------------|-------------------------|---|---------------------------|---|
| Assets: | | | | | |
| Current Assets | \$ 36,020 | \$ 35,455 | \$ 565 | \$ 32,786 | \$ 2,669 |
| Noncurrent Assets: | | | | | |
| Restricted bond cash funds | 4,340 | 8,906 | (4,566) | 31,454 | (22,548) |
| Capital Assets, Net of Depreciation | 63,698 | 54,206 | 9,492 | 33,012 | 21,194 |
| Other | <u>51</u> | <u>72</u> | <u>(21)</u> | <u>58</u> | <u>14</u> |
| Total Assets | <u>104,109</u> | <u>98,639</u> | <u>5,470</u> | <u>97,310</u> | <u>1,329</u> |
| Deferred Outflows of Resources: | | | | | |
| Pension Related Deferred Outflows | 2,573 | 2,367 | 206 | 1,513 | 854 |
| OPEB Related Deferred Outflows | <u>1,180</u> | <u>1,842</u> | <u>(662)</u> | <u>2,692</u> | <u>(850)</u> |
| Total Deferred Outflows of Resources | <u>3,753</u> | <u>4,209</u> | <u>(456)</u> | <u>4,205</u> | <u>4</u> |
| Liabilities: | | | | | |
| Current Liabilities | 8,107 | 7,183 | 924 | 8,453 | (1,270) |
| Noncurrent Liabilities | <u>49,494</u> | <u>50,217</u> | <u>(723)</u> | <u>50,818</u> | <u>(601)</u> |
| Total Liabilities | <u>57,601</u> | <u>57,400</u> | <u>201</u> | <u>59,271</u> | <u>(1,871)</u> |
| Deferred Inflows of Resources: | | | | | |
| Pension Related Deferred Inflows | 431 | 672 | (241) | 2,997 | (2,325) |
| OPEB Related Deferred Inflows | <u>3,814</u> | <u>4,170</u> | <u>(356)</u> | <u>2,485</u> | <u>1,685</u> |
| Total Deferred Inflows of Resources | <u>4,245</u> | <u>4,842</u> | <u>(597)</u> | <u>5,482</u> | <u>(640)</u> |
| Net Position: | | | | | |
| Invested in Capital Assets, Net of Related Debt | 29,429 | 26,641 | 2,788 | 25,887 | 754 |
| Restricted – Expendable | 2,079 | 2,072 | 7 | 2,082 | (10) |
| Unrestricted | <u>14,507</u> | <u>11,893</u> | <u>2,614</u> | <u>8,793</u> | <u>3,100</u> |
| Total Net Position | \$ <u>46,015</u> | \$ <u>40,606</u> | \$ <u>5,409</u> | \$ <u>36,762</u> | \$ <u>3,844</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Net Position - Continued

Fiscal Year 2024 Compared to 2023

Current assets consist primarily of cash investments in LOGIC, Lone Star, TexPool, and Texas Range investment pools, along with receivables; increased slightly \$565,000 (1.6%). As of August 31, 2024, the College's net position was \$46 million, reflecting a \$5.4 million (13%) increase from 2023. Current assets rose slightly by \$565,000 (1.6%), driven by an increase in student receivables due to a 9.5% rise in enrollment for Fall 2024 and a tuition and fee rate increase effective the 2024 Fall semester. Noncurrent assets increased by \$4.9 million (7.7%), while restricted bond funds decreased by \$4.6 million (51%) as the College reached substantial completion of the Health Sciences Education Center in May 2024. Final payments for this project are expected in the first quarter of fiscal year 2025. Capital assets not subject to depreciation decreased by \$24 million (77%), while assets subject to depreciation increased by \$33 million (140%), primarily due to the capitalization of the new building, which shifted from assets not subject to depreciation in the last quarter of fiscal year 2024. Deferred outflows, representing net assets consumed for future periods, decreased by \$456,000 (11%), related to retiree pensions and healthcare (OPEB) costs allocated by the State to each proportionally to each community College District. Current liabilities increased by \$924,000 (13%), mainly due to increases in accounts payable and unearned revenue. Accounts payable rose due to outstanding payments for the Health Sciences Education Center, while unearned revenue increased due to a 9.5% enrollment growth in Fall 2024, adding 286 (13.5%) students compared to Fall 2023's 2,119. Noncurrent liabilities decreased by \$723,000 (1.4%) due to bond payments in fiscal year 2024 on outstanding debt, with OPEB liabilities declining but offset by a 17% increase in retiree pension liability. Overall, total liabilities increased slightly by \$201,000 (0.35%). Deferred inflows of resources, which represent revenue not yet available, tied to pension and OPEB, decreased by \$597,000 (12%). Unrestricted net position increased by \$2.6 million (22%) as a result of operational cash surpluses. The adoption of GASB No. 75 (Postemployment Benefits Other Than Pensions) in 2018 and GASB No. 68 (Pensions) in 2015 continues to significantly impact the statement of net position, reducing the College's net position by \$17.8 million. These entries are non-cash liabilities and are unlikely to require future cash outflows. Overall, the substantial completion and capitalization of the Health Sciences Education Center significantly impacted the College's 2024 statement of net position, with most restricted bond funds and construction-in-progress converted to capital assets.

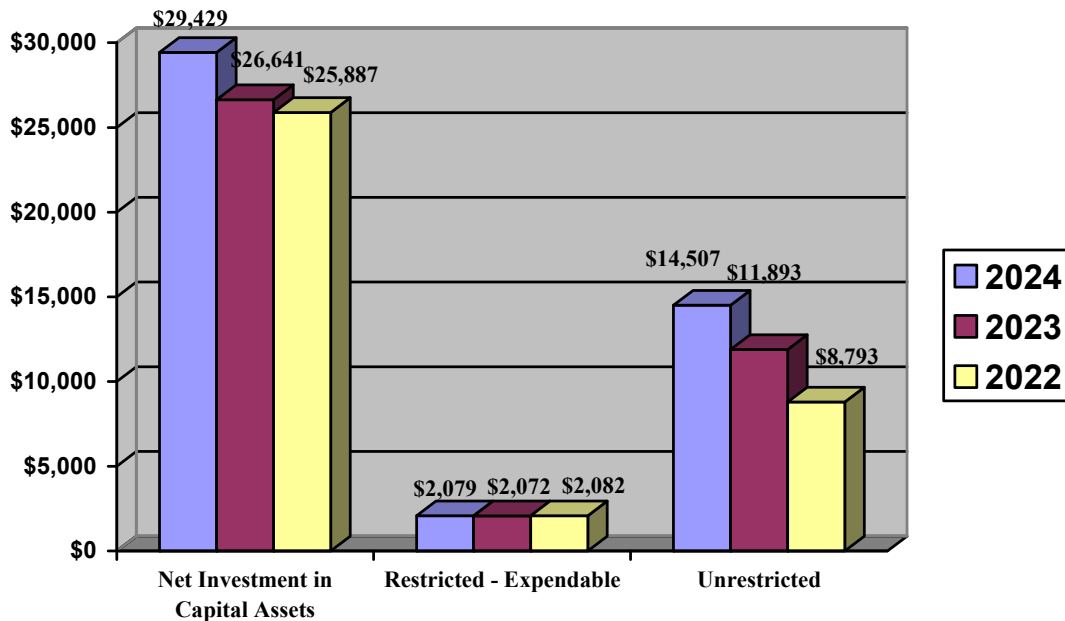
Fiscal Year 2023 Compared to 2022

Current assets primarily consist of cash investments in Logic, Lone Star, TexPool, and Texas Range investment pools and receivables. Overall, the College's net position as of August 31, 2023 was \$40.6 million a \$3.8 million increase or 10.5% compared to fiscal year 2022. Current assets increased \$2.7 million in the fiscal year driven by a \$3.1 million increase in cash and cash equivalents generated from a surplus of funds from operations in fiscal year 2023, while other current assets remained relatively stable. Noncurrent assets decreased slightly. Restricted bond funds cash decreased significantly by \$22.5 million as the College expensed bond funds on the new Health Sciences Education Center to be completed in spring of 2024. As a result, capital assets not subjected to depreciation increased by \$21.2 million as the new building is constructed thus spending down restricted bond funds cash. The implementation of GASB No. 75 (Retiree Health Insurance) in fiscal year 2018 and its counterpart, GASB No. 68 (TRS Retiree Pension) in fiscal year 2015 continue to dominate the statements of net position, reducing the College's overall net position by \$17.3 million. Although no cash was exchanged nor is there any indication that it will be in future periods, we are required to record the deferred outflows, inflows, and liabilities. The decrease in current liabilities is a result of less vendor payments outstanding as of the end of the fiscal year. Overall, the College's net position increased by approximately 10.5% or \$3.8 million while unrestricted net position increased by 35% or \$3.1 million primarily due to the increase in cash and cash equivalents.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Net Position - Continued

The following is a graphic illustration of net position (in thousands) for the years ended August 31, 2022 through 2024. Total net position (net investment in capital assets) has increased over the past three years as the College constructs new buildings and continues to make improvements to existing buildings to support student enrollment and program growth. Increase in unrestricted net position for 2022, 2023 and 2024 represents surplus from operations for those years. The College is to maintain a reserve account equal to the maximum annual principal and interest requirements on the bonds. The reserve balance as of August 31, 2024 is \$1,862,400 which meets the full reserve requirement and explains the increase in restricted – expendable funds in 2024.



Statements of Revenues, Expenses and Change in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position focuses on the “bottom line results” of the College’s operations. This approach summarizes and simplifies the user’s analysis of the cost of various College services to its students and the burden to the public. The statement is divided into operating revenues and expenses and non-operating revenues and expenses. The College (like all other community colleges) is primarily dependent upon three sources of revenue: local property taxes, state appropriations, and tuition and fees. Only tuition represents an exchange for services. Since the Governmental Accounting Standards Board (GASB) requires state appropriations, student financial aid (Title IV), grants and property taxes to be classified as non-operating revenues, community colleges will generally display an operating deficit before taking into account other support. Essentially, this deficit represents the net cost of services to students that must be covered by local taxpayer support, the state and other sources of revenue. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Position and notes to the financial statements.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

The following chart summarizes the College's operating results for the years ended August 31:

**Operating Results
(in thousands)**

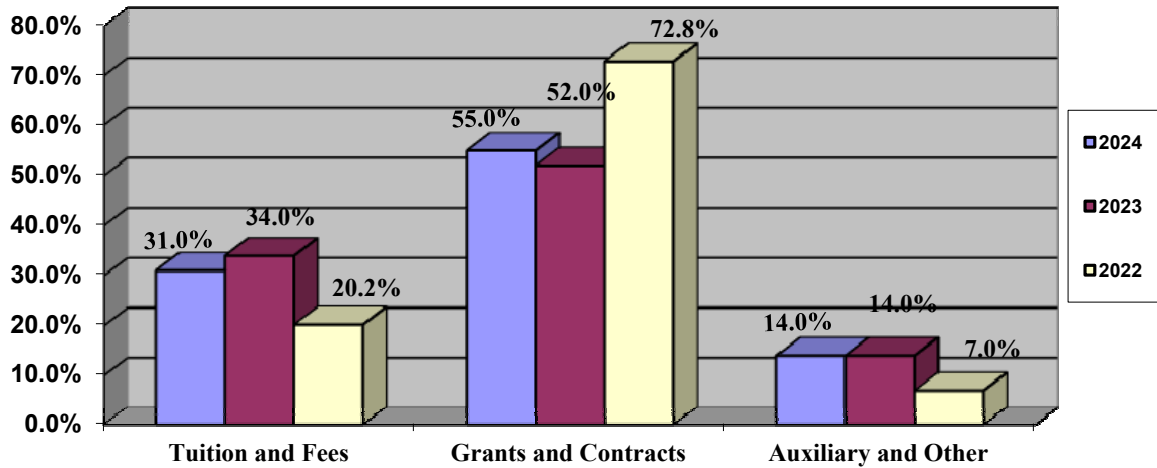
| | <u>2024</u> | <u>2023</u> | Increase (Decrease) 2024 - <u>2023</u> | <u>2022</u> | Increase (Decrease) 2023 - <u>2022</u> |
|---|-----------------|-----------------|---|-----------------|---|
| Operating Revenues: | | | | | |
| Tuition and Fees, Net of | | | | | |
| Scholarship Allowance | \$ 2,455 | \$ 2,439 | \$ 16 | \$ 2,308 | \$ 131 |
| Grants and Contracts | 4,378 | 3,786 | 592 | 8,331 | (4,545) |
| Auxiliary Enterprises, Net | 636 | 620 | 16 | 582 | 38 |
| Other Operating Revenues | <u>447</u> | <u>413</u> | <u>34</u> | <u>225</u> | <u>188</u> |
| Total Operating Revenues | 7,916 | 7,258 | 658 | 11,446 | (4,188) |
| Less Operating Expenses | <u>32,932</u> | <u>31,045</u> | <u>1,887</u> | <u>32,135</u> | <u>(1,090)</u> |
| Operating Loss | <u>(25,016)</u> | <u>(23,787)</u> | <u>(1,229)</u> | <u>(20,689)</u> | <u>(3,098)</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| State Appropriations | 6,316 | 5,864 | 452 | 5,650 | 214 |
| Property Taxes | 18,247 | 16,585 | 1,662 | 15,458 | 1,127 |
| Federal Student Assistance | 4,629 | 4,267 | 362 | 3,647 | 620 |
| Investment and Other Income | 2,059 | 2,159 | (100) | 316 | 1,843 |
| Other Non-Operating Income (Expense) | <u>(826)</u> | <u>(1,244)</u> | <u>418</u> | <u>(1,011)</u> | <u>(233)</u> |
| Total Non-Operating Revenues (Expenses), Net | <u>30,426</u> | <u>27,631</u> | <u>2,795</u> | <u>24,060</u> | <u>3,571</u> |
| Increase in Net Position | \$ <u>5,409</u> | \$ <u>3,844</u> | \$ <u>1,566</u> | \$ <u>3,371</u> | \$ <u>473</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

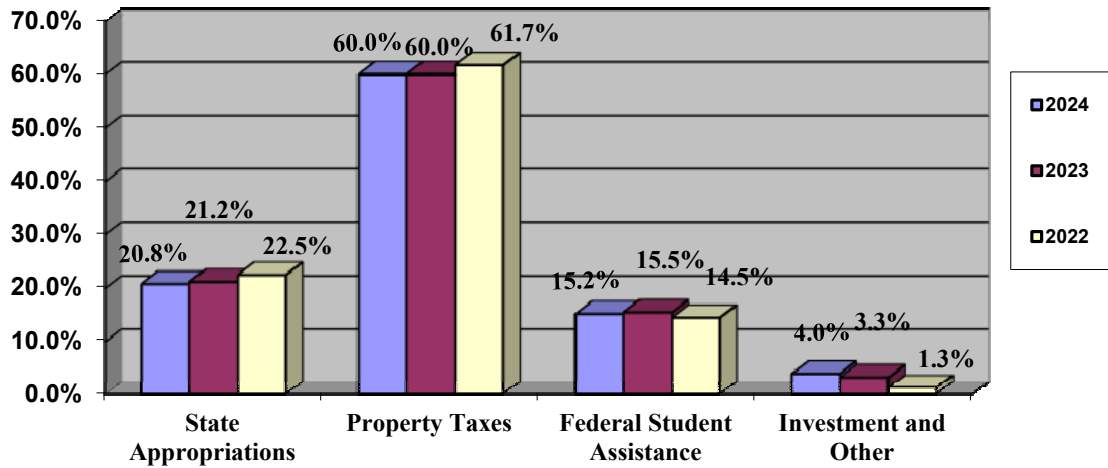
Statements of Revenues, Expenses and Change in Net Position - Continued

The following are graphic illustrations of revenues by source for the years ended August 31, 2022 through 2024:

**Revenues by Source
Operating Revenues**



**Revenues by Source
Non-Operating Revenues**



GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Fiscal Year 2024 Compared to 2023

The College has four principal revenue sources: property taxes, state appropriations, grants and contracts, and tuition and fees. Overall, revenue increased by \$3.4 million (9.9%). Operating revenues increased by \$658,000 (9%) over the prior year, driven primarily by a \$463,000 (210%) increase in state grants received. The Texas Higher Education Coordinating Board allocated an additional \$279,000 in state grant funds in fiscal year 2024 for the Texas Educational Opportunity Grant, \$118,000 for the Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program, and \$82,000 for the Nursing and Allied Health Nursing Innovation Grant Program, offset by a decrease of \$16,000 for ending state grants. Private grants and scholarships rose by \$1.1 million (126%), mostly due to a \$1 million donation from the Moody Permanent Endowment Fund to purchase equipment for the new Health Sciences Education Center. These increases were partially offset by a \$919,000 (34%) decline in federal grant funds received, largely due to a decrease of \$869,000 in funding for the Coronavirus/COVID-19 grant funds which ended in fiscal year 2023 (i.e., HEERF, GEER, GEER II, and TRUE), a decrease of \$86,000 in National Science Foundation grant funds, and a decrease of \$36,000 in Career and Technical Education-Basic Grants funds, offset by a \$72,000 combined increase in other state grants funds received. Tuition and fees, net of scholarships, increased by \$16,000 in fiscal year 2024. Non-operating revenue grew by \$2.8 million (10%), led by increases in property taxes, state appropriations, and federal student assistance. The College reduced its tax rate by 6%, from \$0.132 to \$0.124 per \$100 of assessed valuation in fiscal year 2024. Despite this reduction, the expanding tax base from existing properties and new construction resulted in a \$1.7 million (10%) increase in property tax revenue compared to fiscal year 2023. State appropriations rose by \$452,000 (8%), impacted by the implementation of House Bill 8 (HB 8) in fiscal year 2024, which replaced the static funding model based primarily on enrollment with a performance-based model that rewards colleges for outcomes such as graduation rates and credentials earned. Federal student assistance increased by \$362,000 (8%), most notably due to a \$500 (7%) per recipient increase in the maximum Pell Grant award and a slight uptick in the number of recipients. Investment income decreased slightly, primarily due to the use of bond funds throughout the year, which reduced available interest-earning balances, alongside a slight cooling of interest rates beginning in mid-fiscal year 2024.

Fiscal Year 2023 Compared to 2022

The College has four principal sources of revenue: property taxes, state appropriations, federal grants and contracts, and tuition and fees. Overall, operating revenues decreased approximately \$4.2 million compared to the prior year driven by the \$4.4 million reduction in federal grants and contracts as the federal grants received for COVID-19 expenses ended in fiscal year 2023. HEERF-Institutional, Students, and MSI funds of \$5.5 million were expensed during fiscal year 2022. Tuition and fees, excluding scholarship allowance increased \$824,000 or 17% compared to fiscal year 2022 as the College rebounds from the enrollment declines due to the pandemic. Headcount enrollment for fall 2023, the leading term for fiscal year 2024, increased 2% above fall 2020, the term prior to the pandemic. State appropriations remain stable between fiscal years and the College received a slight increase for fiscal year 2024. Investment income increased sharply by \$1.8 million or 584% due to a temporary influx of restricted cash generated from the sale of the Health Sciences Education Center bond, further amplified by the rate of return more than doubling from 2% in August 2022 to 5.5% in August 2023. The College's fiscal year 2024 budget is using these funds for one-time capital projects, not reoccurring operating expenses. Property taxes revenue increased by \$1.1 million or 7.3%. However, due to new construction and existing property values increasing, Galveston College was able to lower its rate by 9.7% from 0.146188 to 0.13200 per \$100 assessed value. Federal Student Assistance increased \$620,000 or 17% partially due to Pell maximum award amounts increasing from \$6,495 (FY2022) to \$6,895 (FY2023) and due to student and college enrollment levels rebounding. The number of students receiving Direct Loans increased by 25.5% and PELL recipients increased by 10.5% in fiscal year 2023 compared to fiscal year 2022.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Below is a schedule and a graphic illustration of operating expenses by function for the years ended August 31:

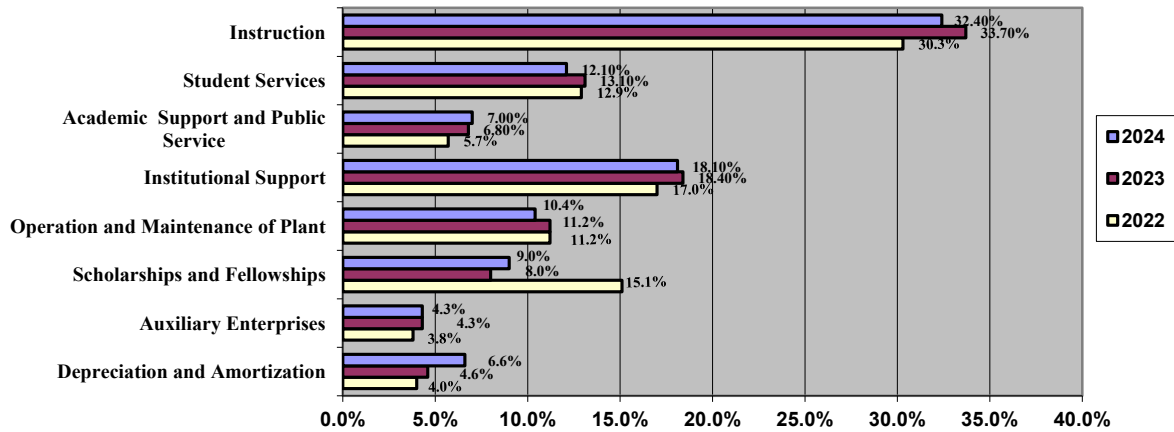
**Operating Expenses
(in thousands)**

| | 2024 | 2023 | Increase (Decrease) 2024-2023 | 2022 (Restated) | Increase (Decrease) 2023-2022 |
|---|------------------|------------------|-------------------------------------|--------------------|-------------------------------------|
| Operating Expenses: | | | | | |
| Instruction | \$ 10,675 | \$ 10,475 | \$ 200 | \$ 9,743 | \$ 732 |
| Public Service | 73 | 17 | 56 | 2 | 15 |
| Academic Support | 2,236 | 2,069 | 167 | 1,838 | 231 |
| Student Services | 3,995 | 4,062 | (67) | 4,135 | (73) |
| Institutional Support | 5,955 | 5,268 | 687 | 5,082 | 186 |
| Operation and Maintenance of Plant | 3,439 | 3,465 | (26) | 3,608 | (143) |
| Scholarships and Fellowships | 2,980 | 2,493 | 487 | 4,859 | (2,366) |
| Auxiliary Enterprises | 1,417 | 1,350 | 67 | 1,198 | 152 |
| Depreciation and amortization | 2,163 | 1,846 | 317 | 1,670 | 176 |
| Total | <u>\$ 32,932</u> | <u>\$ 31,045</u> | <u>\$ 1,887</u> | <u>\$ 32,135</u> | <u>\$ (1,090)</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Operating Expenses



Fiscal Year 2024 Compared to 2023

In fiscal year 2024, Galveston College's operating expenses rose by \$1.9 million, marking a 6% increase compared to fiscal year 2023. This growth was partly due to a 3% salary increase approved by the Board of Regents for all employees, as well as ongoing inflation affecting various expense categories. Total salaries rose by \$694,000, of which approximately \$418,000 was directly related to the salary increase, while the remaining increase was due to fewer vacancies in fiscal year 2024 than in fiscal year 2023 as labor markets stabilized and the addition of new positions to support the Health Sciences Education Center. The largest expense category remains Instruction, which accounted for 32.4% of total expenses and remained relatively stable year-over-year. The most significant increases, however, occurred in Institutional Support, Scholarships and Fellowships, and Depreciation/Amortization. Institutional Support expenses increased by \$687,000, or 13%, primarily due to a substantial rise in pension expenses related to the state's proportional allocation of GASB No. 68 (Accounting and Financial Reporting for Pensions) for fiscal year 2024. Additional contracted services for ERP support and consulting expenses in the Business Office contributed to this increase, as did elevated marketing and development expenses tied to the opening of the Health Sciences Education Center. Scholarships and Fellowships expenses grew by \$487,000, primarily due to a \$500 (7%) rise in the maximum Pell Grant award per student and a higher number of recipients. Pell-related expenses rose by \$345,000, or 8%, compared to fiscal year 2023. Additionally, state scholarships grew by \$177,000, a 50% increase from fiscal year 2023, mainly due to additional state TEOG funds received. Depreciation and Amortization expenses rose by \$317,000 (17%), largely driven by an additional \$213,000 in depreciation linked to the new Health Sciences Education Center and its associated equipment.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Fiscal Year 2023 Compared to 2022

Galveston College's operating expenses decreased by \$1.1 million or 3.4% in fiscal year 2023 as compared to fiscal year 2022. The largest expense category remains Instruction at 33.7%, increasing by \$732,000 in fiscal year 2023. The increase is a result of enrollment growing as the community returns to normalcy post pandemic. The categories of Student Services, Institutional Support, and Operation and Maintenance of Plant remained relatively stable between fiscal years. Academic Support increased \$231,000 or 12.6%, primarily in salaries and benefits. The College added a new Continuing Education Coordinator position and had less vacancies in fiscal year 2023 compared to the prior year. Scholarships and fellowships expense decreased by \$2.4 million or 49% due to the drop in Federal COVID-19 funding which was available in fiscal year 2022. The increase in Auxiliary expenses is related to the College presenting the Women in Industry Conference, exposing attendees to a variety of exciting career opportunities in the petrochemical and construction fields.

Statements of Cash Flows Activity

The Statement of Cash Flows reports the cash receipts and cash payments that occurred during the fiscal year. This statement helps users assess: 1) the entity's ability to generate future cash flows; 2) its ability to meet its obligations as they come due; and 3) its needs for external financing. The Statement of Cash Flows presents information relative to cash inflows and outflows summarized by operating, financing, and investing activities.

The following chart summarizes the Statements of Cash Flows (rounded to the nearest thousand) for the fiscal years ended August 31:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|------------------|
| Cash Provided by (Used in): | | | |
| Operating Activities | \$ (22,753) | \$ (23,410) | \$ (19,151) |
| Non-Capital Financing Activities | 27,706 | 25,708 | 23,922 |
| Capital and Related Financing Activities | (11,472) | (23,913) | 29,255 |
| Investing Activities | <u>2,059</u> | <u>5,206</u> | <u>285</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (4,460) | (16,409) | 34,311 |
| Cash and Cash Equivalents – Beginning of Year | <u>40,021</u> | <u>56,430</u> | <u>22,119</u> |
| Cash and Cash Equivalents – End of Year | \$ <u>35,561</u> | \$ <u>40,021</u> | \$ <u>56,430</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Cash Flows Activity – Continued

The Statements of Cash Flows provide a summary of how Galveston College manages cash across different activities. The College's cash flows from operating activities are always reflected as a use of cash because the College relies heavily on property taxes and state appropriations revenue to fund operations, which are considered non-capital financing activities. For operating activities, the net cash used indicates an outflow of \$22.8 million in FY2024, slightly less than the \$23.4 million used in FY2023. The decrease of \$657,000 in cash used in operating activities is primarily due to increased receipts from grants and contracts of \$619,000 due to new grant funding received, an increase of \$51,000 in other cash receipts, and \$828,000 less in payments to suppliers for goods and services, offset by \$487,000 in more payments for scholarships, \$212,000 in more payments to or on behalf of employees, and \$141,000 in less receipts from students and other customers. In FY2023, large final payments were made to vendors for obligated and encumbered expenses associated with the spend-down of federal grant funds received as a result of the COVID-19 pandemic. In FY2024, these payments were not included. Cash flows from non-capital financing activities, such as state appropriations, property taxes, and federal grants, provided substantial inflows resulting in an increase of \$2 million in FY2024. This is mainly due to a \$1.6 million increase in property tax revenue, driven by steady commercial property growth in Galveston County, which has boosted property values and, consequently tax revenue. Cash flows from capital and related financing activities show that the College's cash outflows in this area have decreased from FY2023 to FY2024. In FY2024, the College spent \$12.5 million less in capital assets purchases, chiefly attributed to the new Health Sciences Education Center project ending in FY2024. No proceeds in capital asset sales were recorded in FY2024, while \$88,000 was recorded in FY2023. Additionally, bond payments totaled \$1.87 million in FY2024, which is slightly lower than in FY2023. As a result, net cash used for capital and related financing activities was \$12.4 million less than in FY2023 indicating lower capital investment and debt service costs year-over-year. Cash provided by investment activities decreased \$3.1 million in FY2024. There were no sales of short-term investments in FY2024 compared to \$3 million in FY2023. However, the College still earned \$2.06 million in investment income in FY2024 which is slightly less than the \$2.16 million earned in FY2023 suggesting stable income generation from existing investments. Overall, the College experienced a smaller decrease in cash and cash equivalents in FY2024 with a reduction of \$4.5 million compared to a \$16.4 million decrease in FY2023, reflecting an overall improvement in cash flow of \$11.9 million year-over-year.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

As shown in Note 6, capital assets increased from \$54.2 million to \$63.7 million due to equipment purchases, construction in progress, and primarily the completion\capitalization of the new Health Sciences Education Center, offset by \$1.59 million of depreciation expense. The following points explain the material changes in the capital assets categories during fiscal year 2024.

- **Land and Improvements** increased slightly by \$290,000 as a result of the completion of the welding booth project that was included in construction in progress in fiscal year 2023.
- **Construction in Progress** decreased by \$23.7 million due to capitalization of the construction, architectural and engineering fees and equipment purchases associated with the construction of the new Health Sciences Education Center of \$26.4 million along with welding booths of \$228,000 moved from construction in process. This was offset by the CIP related to the utility electrical transformer project of \$1.4 million and the \$1.5 million northern renovations of the spaces vacated from services relocated to the new facility.
- **Buildings** increased by \$34.1 million as a result of the Health Science Education center being placed in service.
- **Equipment, Furniture, Software, and Vehicles** increased by \$496,000 with \$275,000 associated to new furniture and equipment purchases and \$221,000 tied to capital information technology purchases.
- **Library Books** increased \$32,000 due to the capitalization of new books purchased in fiscal year 2024.
- **Subscription-Based Assets** increased because of new contracts during the year.

**Capital Assets
(in thousands)**

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|-------------------|
| Capital Assets: | | | |
| Land and Improvements | \$ 10,594 | \$ 10,303 | \$ 8,980 |
| Construction in Progress | 2,999 | 26,734 | 5,609 |
| Buildings | 59,124 | 25,012 | 25,178 |
| Equipment, Furniture, Software, and Vehicles | 7,498 | 7,002 | 7,011 |
| Library Books | 763 | 730 | 698 |
| Subscription-Based Assets | <u>3,427</u> | <u>2,970</u> | <u>2,798</u> |
| Total | <u>84,405</u> | <u>72,751</u> | <u>50,274</u> |
| Less Accumulated Depreciation | <u>(20,707)</u> | <u>(18,545)</u> | <u>(17,263)</u> |
| Net Capital Assets | \$ <u>63,698</u> | \$ <u>54,206</u> | \$ <u>33,011</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions

- Galveston College hosted a dedication ceremony to mark the inauguration of its new three-story, 64,000-square-foot, state-of-the-art Health Sciences Education Center in August 2024. The Health Sciences Education Center will help meet the increasing demand for healthcare professionals in the workforce and shape the future of healthcare education in Galveston and the region. The facility stands as a beacon of innovation and opportunity, designed to meet the growing demand for skilled healthcare workers. The center is equipped with cutting-edge technology and modern learning spaces that will provide students with the hands-on training needed to excel in various healthcare professions.
- In May 2024, the Whitecaps softball team finished a storied season as the No. 5-ranked program in the nation after an incredible run in the National Junior College Athletic Association Division I World Series. Galveston College advanced to the NJCAA World Series for the third time and second since 2018 after winning a share of the Region 14 South Conference title and claiming the Regional Tournament Championship. In addition, GC Athletic Director and Head Softball Coach, Kelly Raines, was named the Region 14 Mid-South A District Coach of the Year.
- Galveston College celebrated its 56th annual commencement in May 2024, awarding 681 degrees and certificates to 554 students, including 44 dual-credit students from Ball High School and the college's youngest dual-credit graduate to date, BHS Junior, Ruby Gundrum. The graduating class represented students from three countries, 10 states, and 77 Texas cities, ranging in age from 16 to 71.
- Galveston College's TRIO - Building Bridges to Success (BBS) program recently celebrated 27 years of success at Galveston College. BBS is a TRIO Student Support Services program that is funded by the U.S. Department of Education to serve first-generation, low-income, and students with disabilities at Galveston College. For the past academic year, BBS served 206 students, with 59 students graduating. 96% of participants were in good academic standing (2.0 or above GPA), and 66% of participants earned an associate's degree or certificate within 4 years of entering the program. Of those who graduated with an associate's degree or certificate, 25% also transferred to a four-year institution. Additionally, the persistence rate of BBS students from fall to fall (including graduation or transfer) was 89%.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions - Continued

- Galveston College's TRIO-Upward Bound program has achieved notable success in recent years. With funding from the U.S. Department of Education, the program supported 80 high school students during the 2023-2024 fiscal year, fully meeting participant requirements. Notably, 100% of seniors served during the academic year passed state assessments, and 87% graduated with a distinguished level of achievement, meeting rigorous curriculum standards. In Spring 2024, the program celebrated the graduation of 15 seniors, 93% of whom enrolled in postsecondary education by the following fall. Among them, four students earned an Associate degree from Galveston College before completing high school and transitioned to four-year universities in Fall 2024. Additionally, ten students enrolled at Galveston College in Fall 2024. The program reported a 100% persistence/graduation rate, with all participants advancing to the next grade level or graduating on time. Furthermore, 68% of students earned a GPA above 2.5, surpassing the program's academic performance objective. The six-year college graduation rate for the 2018 cohort was an impressive 75%, exceeding program targets.
- Galveston College has launched a transformative initiative funded by a \$3 million Title V grant to enhance teaching, advising, and transfer pathways from 2023 to 2028. The "Pathway Model for Improved Teaching, Advising, and Transfer at a Hispanic-Serving Community College" aims to improve student retention, enrollment revenue, and graduation rates. Key initiatives include a new online New Student Orientation (NSO) in English and Spanish, completed by 353 students between June and August, with 73.4% expressing confidence in the college's resources. The college also introduced the 8-week WAVE (Whitecaps Academics Vision of Excellence) learning framework, with over 30 students enrolled. In addition, four redesigned Arts & Humanities courses using the Learning Assistant Model will serve 60+ students in Fall 2024. The new Pathway Major Advisor Model strengthens collaboration between Student Services and Instruction, ensuring students receive comprehensive academic support.
- According to the 2024 National Student Clearinghouse Tracking Transfer Institutional Benchmark Report, 52% of students who begin at Galveston College as first-time students complete a credential within six years, compared to a national average of 43% at peer institutions.
- In Fall 2023, Galveston College surveyed graduates who earned a certificate or associate degree in the 2022-2023 academic year about their employment, continuing education, and overall student experience. Results showed that 77% of graduates reported working in fields related to their education and training at Galveston College, while over half were pursuing further education either at Galveston College or at another institution. Additionally, 91% of graduates expressed that they would choose Galveston College again if given the chance, with many citing the high quality of education they received.
- In 2022, the Galveston College Foundation launched a campaign to support the College's Health Sciences Education programs and new facility. On September 22, 2022, Galveston College and the Foundation signed a Memorandum of Understanding, designating the Foundation as the fiduciary for campaign contributions. The multi-year campaign has a goal of \$15 million, and as of October 9, 2024, it has received 207 contributions and pledges totaling \$7,245,243. Funds received have been invested under the Foundation Board's oversight and in accordance with its Investment Policy Statement.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions – Continued

On April 27, 2023, the Galveston College Foundation Board approved a two-year trial expansion of the Universal Access Program for the 2023-2024 (FY24) and 2024-2025 (FY25) academic years. This expansion now includes Galveston College baccalaureate candidates, advanced certificate CT and MRI candidates, and graduates from high schools within the Galveston College taxing district who reside off the island, provided they meet all other eligibility requirements. Additionally, the 16-month post-graduation application deadline has been waived for the trial period. As a results Universal Access scholarship expense increased \$ 116,000 or 51% significantly expanding the foundation commitment to the community.

The following grants will be active in fiscal year 2025:

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|--|---|---------------------|---------------|
| National Science Foundation - Federal | Hispanic Serving Institution Program - Institutional Transformation Project | 09/01/24 - 08/31/25 | \$856,000 |
| U.S. Department of Education - Federal | Title V FY24-FY28 - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College | 09/01/24 - 08/31/25 | \$600,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Texas Educational Opportunity Grant | 09/01/24 - 08/31/25 | \$506,000 |
| U.S. Department of Education - Federal | TRIO - Upward Bound Program | 9/01/24 - 08/31/25 | \$311,000 |
| U.S. Department of Education - Federal | TRIO - Building Bridges to Success Program | 09/01/24 - 08/31/25 | \$305,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Nursing Shortage Reduction Program - Regular | 09/01/24 - 08/31/25 | \$245,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Carl D. Perkins Career and Technical Education Program - Basic Grants | 09/01/24 - 08/31/25 | \$172,000 |
| Galveston Career Connect - Private | Strengthen Career Skills of High School Students | 09/01/24 - 08/31/25 | \$167,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | The Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program | 09/01/24 - 12/16/24 | \$131,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Nursing & Allied Health - Nursing Innovation Grant Program 2023-2025 | 09/01/24 - 07/31/25 | \$97,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions – Continued

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|--|---|---------------------|--------------------|
| U.S. Department of Agriculture-Federal Pass- Through From UTMB | Detection of SARS CoV-2 on Texas Meat and Dairy Farms | 09/01/24 - 08/31/25 | \$50,000 |
| Ellucian Foundation | Progress, Accomplishment, Thriving, Hope (PATH) Scholarship Program | 09/01/24 - 12/16/24 | \$15,000 |
| Texas Higher Education Coordinating Board - State Pass-Through | Texas College Work Study | 09/01/24 - 08/31/25 | \$10,000 |
| | | TOTAL | \$3,465,000 |

Contacting the College's Financial Management

This financial report is designed to provide the College's citizens, taxpayers, students, investors, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Business Office at 4015 Avenue Q, Galveston, Texas 77550.

GALVESTON COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AUGUST 31, 2024 AND 2023

Exhibit 1

| | 2024 | 2023 |
|--|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and Cash Equivalents (Note 4) | \$ 31,170,547 | \$ 31,044,704 |
| Accounts Receivable (Note 5) | 500,390 | 461,737 |
| Property Tax Receivable, Net (Note 5) | 865,283 | 793,912 |
| Student Receivables, Net (Note 5) | 2,716,690 | 2,395,131 |
| Other Assets | <u>767,339</u> | <u>759,613</u> |
| Total Current Assets | <u>36,020,249</u> | <u>35,455,097</u> |
| NONCURRENT ASSETS: | | |
| Restricted Bond Funds Cash and Cash Equivalents (Note 4) | 4,339,850 | 8,905,879 |
| Restricted Agency Funds Cash and Cash Equivalents (Note 4) | 51,006 | 70,766 |
| Capital Assets, Net (Note 6): | | |
| Not Subjected to Depreciation | 6,700,385 | 30,435,150 |
| Subjected to Depreciation | <u>56,997,152</u> | <u>23,771,313</u> |
| Total Noncurrent Assets | <u>68,088,393</u> | <u>63,183,108</u> |
| Total Assets | <u>104,108,642</u> | <u>98,638,205</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Related Deferred Outflows (Note 10) | 2,572,750 | 2,366,784 |
| Other Post Employee Benefits Related Deferred Outflows (Note 13) | <u>1,179,967</u> | <u>1,841,793</u> |
| Total Deferred Outflows of Resources | <u>3,752,717</u> | <u>4,208,577</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts Payable (Note 5) | 2,951,253 | 2,579,689 |
| Funds Held for Others - Agency | 51,006 | 70,766 |
| Unearned Revenues | 3,368,991 | 2,958,810 |
| Deposits | 27,800 | 29,800 |
| Subscription-Based Liabilities - Current Portion (Notes 7 and 8) | 615,979 | 468,676 |
| Compensated Absences - Current Portion (Notes 7 and 14) | 45,000 | 45,000 |
| Bonds Payable - Current Portion (Notes 7 and 9) | <u>1,047,352</u> | <u>1,030,146</u> |
| Total Current Liabilities | <u>8,107,381</u> | <u>7,182,887</u> |
| NONCURRENT LIABILITIES: | | |
| Compensated Absences (Notes 7 and 14) | 447,508 | 443,562 |
| Net Pension Liability (Notes 7 and 10) | 6,848,347 | 5,849,340 |
| Net Other Post Employee Benefit Liability (Notes 7 and 13) | 10,425,212 | 10,842,509 |
| Subscription-Based Liabilities (Notes 7 and 8) | 1,070,789 | 1,331,878 |
| Bonds Payable (Notes 7 and 9) | <u>30,702,038</u> | <u>31,749,390</u> |
| Total Noncurrent Liabilities | <u>49,493,894</u> | <u>50,216,679</u> |
| Total Liabilities | <u>57,601,275</u> | <u>57,399,566</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Related Deferred Inflows (Note 10) | 430,504 | 672,156 |
| Other Post Employee Benefits Related Deferred Inflows (Note 13) | <u>3,814,222</u> | <u>4,169,671</u> |
| Total Deferred Inflows of Resources | <u>4,244,726</u> | <u>4,841,827</u> |
| NET POSITION | | |
| Net Investment in Capital Assets, Net of Related Debt | 29,428,845 | 26,640,756 |
| Restricted - Expendable: | | |
| Student Aid | 216,625 | 204,770 |
| Debt Service | 1,862,400 | 1,867,000 |
| Unrestricted | <u>14,507,488</u> | <u>11,892,863</u> |
| Total Net Position (Schedule D) | <u>\$ 46,015,358</u> | <u>\$ 40,605,389</u> |

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

GALVESTON COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

Exhibit 2

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| OPERATING REVENUES: | | |
| Tuition and Fees, Net of Scholarship Allowance of \$3,564,562 for 2024 and \$3,273,359 for 2023 | \$ 2,454,636 | \$ 2,439,519 |
| Federal Grants and Contracts | 1,770,659 | 2,689,587 |
| State and Local Grants and Contracts | 708,267 | 257,995 |
| Private Grants and Scholarships | 1,899,413 | 838,239 |
| Auxiliary Enterprises, Net of Scholarship Allowance of \$447,215 for 2024 and \$448,084 for 2023 | 636,154 | 619,989 |
| Other Operating Revenues | <u>447,296</u> | <u>412,577</u> |
| Total Operating Revenues (Schedule A) | <u>7,916,425</u> | <u>7,257,906</u> |
| OPERATING EXPENSES: | | |
| Instruction | 10,675,142 | 10,475,030 |
| Public Service | 72,762 | 17,303 |
| Academic Support | 2,236,210 | 2,069,567 |
| Student Services | 3,995,125 | 4,061,600 |
| Institutional Support | 5,954,577 | 5,268,020 |
| Operation and Maintenance of Plant | 3,438,553 | 3,464,695 |
| Scholarships and Fellowships | 2,980,034 | 2,493,180 |
| Auxiliary Enterprises | 1,417,085 | 1,349,620 |
| Depreciation and Amortization | <u>2,162,788</u> | <u>1,846,445</u> |
| Total Operating Expenses (Schedule B) | <u>32,932,276</u> | <u>31,045,460</u> |
| OPERATING LOSS | <u>(25,015,851)</u> | <u>(23,787,554)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | |
| State Appropriations | 6,316,166 | 5,864,344 |
| Property Taxes | 18,247,018 | 16,585,136 |
| Federal Student Assistance (Title IV Grants) | 4,629,025 | 4,267,186 |
| Investment Income | 2,059,365 | 2,159,237 |
| Interest on Capital-Related Debt | (825,754) | (847,403) |
| Loss on Disposal of Capital Assets | <u>-</u> | <u>(397,110)</u> |
| Non-Operating Revenues, Net (Schedule C) | <u>30,425,820</u> | <u>27,631,390</u> |
| INCREASE IN NET POSITION | 5,409,969 | 3,843,836 |
| NET POSITION, BEGINNING OF YEAR | <u>40,605,389</u> | <u>36,761,553</u> |
| NET POSITION, END OF YEAR | <u>\$ 46,015,358</u> | <u>\$ 40,605,389</u> |

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

GALVESTON COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

Exhibit 3

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from Students and Other Customers | \$ 2,372,498 | \$ 2,513,369 |
| Receipts from Grants and Contracts | 4,510,609 | 3,891,858 |
| Payments to or on Behalf of Employees | (18,303,453) | (18,091,150) |
| Payments to Suppliers for Goods and Services | (9,436,049) | (10,263,901) |
| Payments for Scholarships | (2,980,034) | (2,493,180) |
| Other Cash Receipts | <u>1,083,450</u> | <u>1,032,566</u> |
| Net Cash Used in Operating Activities | <u>(22,752,979)</u> | <u>(23,410,438)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Proceeds from State Appropriations | 4,923,888 | 4,855,811 |
| Proceeds from Property Taxes | 18,175,647 | 16,574,835 |
| Proceeds from Federal Student Assistance (Title IV Grants) | <u>4,606,214</u> | <u>4,277,696</u> |
| Net Cash Provided by Non-Capital Financing Activities | <u>27,705,749</u> | <u>25,708,342</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Purchases of Capital Assets | (9,605,081) | (22,134,939) |
| Proceeds from Sale of Capital Assets | - | 87,606 |
| Payments on Bonds - Principal | (740,000) | (710,000) |
| Payments on Bonds - Interest | <u>(1,127,000)</u> | <u>(1,155,700)</u> |
| Net Cash Used in Capital and Related Financing Activities | <u>(11,472,081)</u> | <u>(23,913,033)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Sale of short-term investment | - | 3,045,195 |
| Investment Income | <u>2,059,365</u> | <u>2,160,821</u> |
| Net Cash Provided by Investing Activities | <u>2,059,365</u> | <u>5,206,016</u> |
| CHANGE IN CASH AND CASH EQUIVALENTS | (4,459,946) | (16,409,113) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>40,021,349</u> | <u>56,430,462</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 35,561,403</u> | <u>\$ 40,021,349</u> |

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

GALVESTON COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

Exhibit 3 - Continued

| | <u>2024</u> | <u>2023</u> |
|--|------------------------|------------------------|
| RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES: | | |
| Operating Loss | \$ (25,015,851) | \$ (23,787,554) |
| Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities: | | |
| Depreciation Expense | 2,162,788 | 1,846,445 |
| Payments Made Directly by State for Benefits | 1,393,166 | 1,009,300 |
| Changes in Assets and Liabilities: | | |
| Receivables, Net | (338,289) | 300,859 |
| Other Assets | (7,726) | 107,944 |
| Pension Related Deferred Outflows | (205,966) | (853,411) |
| Other Post Employee Benefits Related Deferred Outflows | 661,826 | 850,063 |
| Accounts Payable | (1,209,187) | (2,460,959) |
| Funds Held for Others - Agency Funds | (19,760) | 13,070 |
| Unearned Revenues | 410,181 | (135,242) |
| Deposits | (2,000) | 1,200 |
| Subscription-Based Liabilities | (570,716) | (430,099) |
| Compensated Absences | 3,946 | (3,391) |
| Net Pension Liability | 999,007 | 3,290,180 |
| Net Other Post Employee Benefit Liability | (417,297) | (2,518,668) |
| Pension Related Deferred Inflows | (241,652) | (2,324,406) |
| Other Post Employee Benefits Related Deferred Inflows | (355,449) | 1,684,231 |
| Net Cash Used in Operating Activities | <u>\$ (22,752,979)</u> | <u>\$ (23,410,438)</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | |
| Capital Assets Additions Included in Accounts Payable | <u>\$ 1,591,851</u> | <u>\$ 1,218,513</u> |
| Accrued Interest Expense Included in Accounts Payable | <u>\$ 411,525</u> | <u>\$ 422,625</u> |
| Amortization of Bond Premium | <u>\$ 290,146</u> | <u>\$ 297,647</u> |
| Subscription-Based Assets Obtained Through Subscription-Based Liabilities | <u>\$ 456,930</u> | <u>\$ 172,739</u> |

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

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Galveston Community College District (the College) was established in 1967, in accordance with the laws of the State of Texas, to serve the educational needs of the City of Galveston and the surrounding communities. The College is considered to be a special purpose, primary government. While the College receives funding from local, State, and Federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The Governmental Accounting Standards Board (GASB) gives guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. In 2011, the College adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which changed the criteria for a component unit. The Galveston College Foundation (the Foundation) is a legally separate not-for-profit corporation controlled by a separate board of trustees, whose sole purpose is to provide scholarships and other benefits to the students and staff of the College. The Foundation does not provide a financial benefit or impose a financial burden on the College. The College does not appoint any of the Foundation's board members nor does it fund or is it obligated to pay debt related to the Foundation. The financial position of the Foundation as of August 31, 2024 and 2023 and the cost of services provided by the College to the Foundation during the years then ended are not significant to the College. The Foundation has therefore not been included as a component unit in the financial statements of the College. Financial information for the Foundation may be obtained from its administrative office.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for Texas Public Community Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants (TPEG) – Certain tuition amounts must be set aside for use as scholarships by qualifying students. This set-aside, called the TPEG, is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code, Section 56.033). When the award is used by the student for tuition and fees, the College records the amount as tuition discount. If the amount is dispersed directly to the student, the College records the amount as a scholarship expense.

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

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Tuition Discounting – Continued

Other Tuition Discounts – The College awards tuition and fees scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the College records the amount as a tuition discount. If the amount is dispersed directly to the student, the College records the amount 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.

Net Position: The College's net position is classified as follows:

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

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

Unrestricted Net Position: These are resources that are not subject to any external restrictions and may be used at the discretion of the governing board for any lawful purpose of the College.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

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 Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statements of Net Position. The governing board has designated public funds investment pools to be cash equivalents, as the investments are redeemable on demand.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

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

| | |
|-----------------------------------|-------------|
| Buildings | 40-50 years |
| Land Improvements | 20 years |
| Library Books | 15 years |
| Furniture, Equipment and Vehicles | 5-10 years |
| Computer Systems | 5 years |

Subscription-based assets resulting from qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

Subscription-Based Assets and Liabilities

For subscription agreements that have a maximum possible term of 12 months or less at commencement, the College recognizes expense based on the provisions of the subscription agreement.

For all other subscription-based agreements, the College recognizes a subscription-based liability and an intangible right-to-use subscription asset. The College recognizes subscription agreements that allow the College the right to control another party's IT software alone or in combination with tangible capital assets.

At agreement commencement, the College initially measures the subscription liability at the present value of all payments expected to be made during the subscription term using the then current discount rate. The College uses its estimated incremental borrowing rate as the discount rate. The incremental borrowing rate for subscription-based agreements is based on the rate of interest it would have to pay if it issued general obligation bonds to borrow an amount equal to the subscription payment under similar terms at the commencement or remeasurement date. The subscription liability is reduced by the principal portion of payments made to the vendor. Subscription assets are amortized into amortization expense on a straight-line basis over the subscription term.

The subscription term includes a non-cancellable period to use certain third-party vendor information technology software plus any additional periods covered by either the College or the vendor's option to extend or terminate. Extension of additional periods is reasonably certain to be exercised, while termination of periods is reasonably certain to not be exercised. Periods for which both the College and the SBITA vendor have an option to terminate without permission from the other party are cancelable periods and are excluded from the subscription term. Preliminary project costs and training costs are expensed as incurred. Initial implementation costs are capitalized but are excluded from the present value calculation of the subscription asset. Operation and additional implementation costs that occur after putting the IT software in place are expensed as incurred. (See Note 8)

Revenue Recognition and Unearned Income

Tuition and fees revenues are recorded when earned. Tuition, fees and other revenues related to periods after August 31, 2024 and 2023, respectively, have been deferred to the subsequent fiscal year.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and other postemployment benefits (OPEB) liability, and contributions from the College for pension and OPEB after the measurement date but before the end of the College's reporting period.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as revenue until that time. Deferred inflows of resources consist of unrecognized items not yet charged to pension and OPEB liability.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Operating and Non-Operating Revenues and Expenses Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a business-type activity and as a single, proprietary fund. Operating revenues and expenses generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. The principal operating revenues are tuition, fees and grants. The major non-operating revenues are State appropriations, property taxes and Title IV financial aid funds (i.e. Pell grants). The operations of the bookstore and food services are performed by a third party contracted by the College.

Operating expenses include the cost of providing instruction, student services and support, administrative expenses, and depreciation and amortization on capital assets. Expenses related to non-operating federal revenues are reported as operating expenses, either as tuition discounts (if applied to tuition) or as scholarship.

Management Estimates

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

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

The College is exempt from Federal income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to Federal 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, 2024 and 2023.

Subsequent Events

The College has evaluated subsequent events through December 27, 2024 which is the date the financial statements were available to be issued. No matters were identified that require disclosure or adjustment to these financial statements or related disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 3 – AUTHORIZED INVESTMENTS

The Board of Regents of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board of Regent's investment policy and the Public Funds Investment Act. Such investments include (1) obligations of the United States and its agencies, (2) directed obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit and, (5) other instruments and obligations authorized by statute.

NOTE 4 – DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of bank failure, the College's deposits may not be returned to it. All deposits with the depository bank must be collateralized in an amount equal to at least 102% of the amount of uninsured collected funds. The collateral must be held by a third-party collateral bank in the name of the College.

At August 31, 2024 and 2023, the carrying amount of the College's deposits was \$902,694 and \$942,986, respectively and bank balances equaled \$1,115,432 and \$1,231,131, respectively. Bank balances totaling \$250,000 were covered by Federal depository insurance and the remaining balance is collateralized with securities. The College uses a sweep agreement as a funding mechanism for its demand deposit accounts. Under this agreement the funds are swept nightly into a repurchase agreement account. Funds are swept into the demand deposit accounts as needed to cover disbursements.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS AND INVESTMENTS – CONTINUED

The following table presents the deposits and investments included in Exhibit 1, Statements of Net Position, as of August 31:

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|--------------------------|
| Cash and Cash Equivalents: | | |
| Petty Cash | \$ 1,200 | \$ 1,200 |
| Demand Deposits | 902,694 | 942,986 |
| Vanguard Admiral Treasury Money Market Fund | 760,877 | 721,710 |
| Investment Pools: | | |
| Lone Star Investment Pool | 14,820,294 | 20,278,928 |
| Local Government Investment Cooperative | 7,092,963 | 6,714,971 |
| Texas Local Government Investment Pool | 6,319,781 | 5,991,559 |
| Texas Range Government Investment Pool | <u>5,663,594</u> | <u>5,369,995</u> |
| Total Deposits and Investments | <u>\$ 35,561,403</u> | <u>\$ 40,021,349</u> |

Interest risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods can be subjected to increased risk of adverse interest rate changes. In accordance with its investment policy, the College limits its exposure to interest risk by structuring its portfolio to provide for liquidity for operating funds and maximizing yields for funds not needed within a two year period. The investment policy limits the maximum maturity length of obligations of the United States government, its agencies and instrumentalities and government sponsoring enterprises to two years.

Credit risk is the risk that the issuer of the debt security will not pay its par value upon maturity. The College's investment policy limits credit risk based on meeting requirements of State law.

The First Public (Lone Star Investment Pool or Lone Star) is a public funds investment pool established in accordance with the Inter-local Cooperation Act, Chapter 791, of the Texas Government Code, and operated under the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. Lone Star is governed by trustees comprised of active participants in Lone Star. The board of trustees for Lone Star has the responsibility for adopting and monitoring compliance with the investment policy, of appointing investment officers, of overseeing the selection of an investment advisor, custodian, investment consultant, administrator and other service providers. First Public is rated AAA by Standard & Poor's.

Local Government Investment Cooperative (LOGIC or the Cooperative) was organized in conformity with the Inter-local Cooperation Act, Chapter 791, of the Texas Government Code, and operated under the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. Participation in the Cooperative is limited to those eligible Government Entities which have become parties to the Participation Agreement. LOGIC is overseen by a governing board consisting of individuals from participating government entities in the pool. The business and affairs of LOGIC are managed by the Board. J.P. Morgan Asset Management provides investment management, fund accounting, transfer agency and custodial services for the pool and Hilltop Securities Inc. provides administrative, marketing and participant services. In compliance with the Public Funds Investment Act, all portfolios will maintain an AAA or equivalent rating from at least one nationally recognized rating agency. LOGIC has been assigned a rating of AAAM by Standard & Poor's.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS AND INVESTMENTS - CONTINUED

Texas Local Government Investment Pool (TexPool) has been organized in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool invests in securities that meet the requirements of Texas Public Funds Investment Act. Standard & Poor rates TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor, as well as to the Office of Comptroller of Public Accounts, for review.

Texas Range Government Investment Pool (Texas Range) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the PFIA). Texas Range is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. Texas Range provides three investment options that offer investors the flexibility to manage cash flow and optimize earnings. The College has currently invested in TexasDAILY, a money market portfolio with daily liquidity that is rated AAAm by Fitch.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables consist of the following at August 31:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------------|---------------------|---------------------|
| Student Receivables | \$ 2,972,220 | \$ 2,597,333 |
| Less Allowance for Doubtful Accounts | <u>(255,530)</u> | <u>(202,202)</u> |
| Total Student Receivables | \$ <u>2,716,690</u> | \$ <u>2,395,131</u> |
| Federal Receivables | \$ 331,297 | \$ 387,744 |
| Other Receivables | <u>169,093</u> | <u>73,993</u> |
| Total Accounts Receivable | \$ <u>500,390</u> | \$ <u>461,737</u> |
| Property Tax Receivable | \$ 974,858 | \$ 897,123 |
| Less Allowance for Doubtful Accounts | <u>(109,575)</u> | <u>(103,211)</u> |
| Total Property Tax Receivable | \$ <u>865,283</u> | \$ <u>793,912</u> |

Payables consist of the following at August 31:

| | | |
|-------------------------|---------------------|---------------------|
| Vendors Payable | \$ 2,425,454 | \$ 2,011,035 |
| Bond Interest Payable | 411,525 | 422,625 |
| Benefits Payable | <u>114,274</u> | <u>146,029</u> |
| Total Accounts Payables | \$ <u>2,951,253</u> | \$ <u>2,579,689</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2024 was as follows:

| | Balance September 1, 2023 | Increase | Decrease/ Transfer | Balance August 31, 2024 |
|---|---------------------------------|---------------------|-----------------------|-------------------------------|
| Not Depreciated: | | | | |
| Land | \$ 3,701,465 | \$ - | \$ - | \$ 3,701,465 |
| Construction in Progress | <u>26,733,685</u> | <u>2,909,519</u> | <u>(26,644,284)</u> | <u>2,998,920</u> |
| Total Not Depreciated | <u>30,435,150</u> | <u>2,909,519</u> | <u>(26,644,284)</u> | <u>6,700,385</u> |
| Other Capital Assets: | | | | |
| Buildings | 25,011,957 | 7,695,817 | 26,416,587 | 59,124,361 |
| Land Improvements | 6,601,747 | 62,641 | 227,697 | 6,892,085 |
| Furniture, Equipment and Vehicles | 4,140,461 | 275,449 | - | 4,415,910 |
| Computer System | 2,861,379 | 221,004 | - | 3,082,383 |
| Library Books | 730,177 | 32,502 | - | 762,679 |
| Subscription-Based Assets | <u>2,970,277</u> | <u>456,930</u> | <u>-</u> | <u>3,427,207</u> |
| Total Depreciated and Amortized | <u>42,315,998</u> | <u>8,744,343</u> | <u>26,644,284</u> | <u>77,704,625</u> |
| Less Accumulated Depreciation and Amortization: | | | | |
| Buildings | 10,050,783 | 521,551 | - | 10,572,334 |
| Land Improvements | 2,679,504 | 338,556 | - | 3,018,060 |
| Furniture, Equipment and Vehicles | 2,366,723 | 364,831 | - | 2,731,554 |
| Computer System | 1,837,200 | 328,944 | - | 2,166,144 |
| Library Books | 440,751 | 38,190 | - | 478,941 |
| Subscription-Based Assets | <u>1,169,724</u> | <u>570,716</u> | <u>-</u> | <u>1,140,440</u> |
| Total Accumulated Depreciation and Amortization: | <u>18,544,685</u> | <u>2,162,788</u> | <u>-</u> | <u>20,707,473</u> |
| Net Capital Assets | <u>\$ 54,206,463</u> | <u>\$ 9,491,074</u> | <u>\$ -</u> | <u>\$ 63,697,537</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS – CONTINUED

Capital assets activity for the year ended August 31, 2023 was as follows:

| | Balance September 1, 2022 | Increase | Decrease/ Transfer | Balance August 31, 2023 |
|---|---------------------------------|----------------------|-----------------------|-------------------------------|
| Not Depreciated: | | | | |
| Land | \$ 3,641,465 | \$ 60,000 | \$ - | \$ 3,701,465 |
| Construction in Progress | <u>5,609,208</u> | <u>21,180,237</u> | <u>(55,760)</u> | <u>26,733,685</u> |
| Total Not Depreciated | <u>9,250,673</u> | <u>21,240,237</u> | <u>(55,760)</u> | <u>30,435,150</u> |
| Other Capital Assets: | | | | |
| Buildings | 25,177,738 | 205,326 | (371,107) | 25,011,957 |
| Land Improvements | 5,338,727 | 1,224,260 | 38,760 | 6,601,747 |
| Furniture, Equipment and Vehicles | 4,268,001 | 499,162 | (626,702) | 4,140,461 |
| Computer System | 2,743,158 | 135,155 | (16,934) | 2,861,379 |
| Library Books | 698,165 | 32,012 | - | 730,177 |
| Subscription-Based Assets | <u>2,797,539</u> | <u>172,738</u> | <u>-</u> | <u>2,970,277</u> |
| Total Depreciated and Amortized | <u>41,023,328</u> | <u>2,268,653</u> | <u>(975,983)</u> | <u>42,315,998</u> |
| Less Accumulated Depreciation and Amortization: | | | | |
| Buildings | 9,604,222 | 461,275 | (14,714) | 10,050,783 |
| Land Improvements | 2,425,084 | 271,420 | (17,000) | 2,679,504 |
| Furniture, Equipment and Vehicles | 2,555,672 | 326,730 | (515,679) | 2,366,723 |
| Computer System | 1,534,197 | 319,939 | (16,936) | 1,837,200 |
| Library Books | 403,769 | 36,982 | - | 440,751 |
| Subscription-Based Assets | <u>739,625</u> | <u>430,099</u> | <u>-</u> | <u>1,169,724</u> |
| Total Accumulated Depreciation and Amortization: | <u>17,262,569</u> | <u>1,846,445</u> | <u>(564,329)</u> | <u>18,544,685</u> |
| Net Capital Assets | <u>\$ 33,011,432</u> | <u>\$ 21,662,445</u> | <u>\$ (467,414)</u> | <u>\$ 54,206,463</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2024 was as follows:

| | Balance September 1, <u>2023</u> | <u>Additions</u> | <u>Reductions</u> | Balance August 31, <u>2024</u> | Current <u>Portion</u> |
|------------------------------------|--|---------------------|-----------------------|--------------------------------------|---------------------------|
| Bonds | | | | | |
| Revenue bonds | \$28,715,000 | \$ - | \$ (740,000) | \$27,975,000 | \$ 765,000 |
| Unamortized bond premium | <u>4,064,536</u> | <u>-</u> | <u>(290,146)</u> | <u>3,774,390</u> | <u>282,352</u> |
| Subtotal | 32,779,536 | - | (1,030,146) | 31,749,390 | 1,047,352 |
| Subscription Based Leases | 1,800,554 | 456,930 | (570,716) | 1,686,768 | 615,979 |
| Compensated Absences | 488,562 | 89,246 | (85,300) | 492,508 | 45,000 |
| Net Pension Liability (Note 2, 10) | 5,849,340 | 1,511,483 | (512,476) | 6,848,347 | - |
| Net OPEB Liability (Note 2, 13) | <u>10,842,509</u> | <u>1,036,729</u> | <u>(1,454,026)</u> | <u>10,425,212</u> | <u>-</u> |
| Total Noncurrent Liabilities | <u>\$51,760,501</u> | <u>\$ 3,094,388</u> | <u>\$ (3,652,664)</u> | <u>\$ 51,202,225</u> | <u>\$ 1,708,331</u> |

Noncurrent liability activity for the year ended August 31, 2023 was as follows:

| | Balance September 1, <u>2022</u> | <u>Additions</u> | <u>Reductions</u> | Balance August 31, <u>2023</u> | Current <u>Portion</u> |
|------------------------------------|--|---------------------|-----------------------|--------------------------------------|---------------------------|
| Bonds | | | | | |
| Revenue bonds | \$29,425,000 | \$ - | \$ (710,000) | \$28,715,000 | \$ 740,000 |
| Unamortized bond premium | <u>4,362,183</u> | <u>-</u> | <u>(297,647)</u> | <u>4,064,536</u> | <u>290,146</u> |
| Subtotal | 33,787,183 | - | (1,007,647) | 32,779,536 | 1,030,146 |
| Subscription Based Leases | 2,057,914 | 172,738 | (430,098) | 1,800,554 | 468,676 |
| Compensated Absences | 491,953 | 83,722 | (87,113) | 488,562 | 45,000 |
| Net Pension Liability (Note 2, 10) | 2,559,160 | 3,749,940 | (459,760) | 5,849,340 | - |
| Net OPEB Liability (Note 2, 13) | <u>13,361,177</u> | <u>1,214,905</u> | <u>(3,733,573)</u> | <u>10,842,509</u> | <u>-</u> |
| Total Noncurrent Liabilities | <u>\$52,257,387</u> | <u>\$ 5,221,305</u> | <u>\$ (5,718,191)</u> | <u>\$ 51,760,501</u> | <u>\$ 1,543,822</u> |

NOTE 8 – SUBSCRIPTION-BASED LIABILITIES

The College has the noncancellable right to use certain third-party vendor information technology software. These subscription-based technology arrangements primarily consist of software used for the College's accounting and operational needs as well as student assessment and engagement and other software needs. These arrangements have terms ranging from 2 to 9 years.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SUBSCRIPTION-BASED LIABILITIES - CONTINUED

The principal and interest payments to maturity for subscription-based liabilities at August 31, 2024 are as follows:

| Fiscal Year Ending August 31 | Principal | Interest | Total |
|---|---------------------|------------------|---------------------|
| 2025 | \$ 615,979 | \$ 42,021 | \$ 658,000 |
| 2026 | 496,903 | 24,026 | 520,929 |
| 2027 | 213,204 | 13,316 | 226,520 |
| 2028 | 197,245 | 6,958 | 204,203 |
| 2029 | 163,437 | 1,971 | 165,408 |
| Total | <u>\$ 1,686,768</u> | <u>\$ 88,292</u> | <u>\$ 1,775,060</u> |

NOTE 9 – BONDS PAYABLE

General information related to bonds payable is summarized below:

- Combined Fee Revenue Bonds, Series 2022. The bond issue was comprised of \$21,120,000 in serial bonds and \$8,305,000 in term bonds. Bonds were issued with a net premium of \$4,529,916. Final maturity dates for serial bonds and term bonds are April 15, 2042 and April 15, 2047, respectively.
- Proceeds from sale of the bonds will be used for the purpose of (i) acquiring, purchasing, constructing, improving, enlarging, equipping, operating and maintaining property, buildings, structure, activities, operations and facilities in the College, with first priority to be given to the acquisition, purchase, construction, and equipment of a nursing and health science building on the campus of the College.
- Issued February 9, 2022
- \$29,425,000, all authorized bonds have been issued.
- Interest rate is 4% and is payable April 15 and October 15 of each year commencing April 15, 2022 until maturity of prior redemption.
- Bonds are secured by a first lien on the pledged revenues consisting of (a) the pledged college fees, which include but are not limited to student service fees, course fees, building use fees, out-of-district fees, general service fees, registration fees, and revenue from auxiliary enterprises including residential life, the bookstore, and vending commissions; (b) the pledged tuition Fee, which includes 25% of the tuition charges collected from each enrolled student for each semester or term; (c) interest earnings, if any, on the general operating fund of the College; and (d) the revenues of any revenue-producing facilities acquired or constructed with bond proceeds.
- The payment of bonds is additionally secured by a debt service reserve fund that was funded with proceeds of bonds.
- Outstanding balance of the bonds payable as of August 31, 2024 and 2023 was \$27,975,000 and \$28,715,000, respectively. Unamortized bond premium balance as of August 31, 2024 and 2023 was \$3,774,390 and \$4,064,536, respectively, and amortization charged for the years ended August 31, 2024 and 2023 was \$290,146 and \$297,647, respectively.
- For the year ended August 31, 2024 and 2023, interest expense was \$825,754 and \$847,403, respectively. Interest payable as of August 31, 2024 and 2023 was \$411,525 and \$422,625, respectively.
- The College reserves the right, at its option, to redeem bonds having stated maturities on or after April 15, 2032, in whole or in part, on April 15, 2031 or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – BONDS PAYABLE – CONTINUED

- The term bonds are subject to mandatory sinking fund redemption pursuant to the terms of Bond Legislation. The mandatory redemption is to occur on April 15 in each of the years and amount shown below as redemption price equal to the principal of the bonds amount redeemed plus accrued interest. See table below for redemption dates and amounts.

**\$8,305,000 Term Bonds
Maturing April 15, 2047**

| <u>Mandatory Redemption Date (April 15)</u> | <u>Principal Amount to be Redeemed (\$)</u> |
|---|---|
| 2043 | 1,530,000 |
| 2044 | 1,595,000 |
| 2045 | 1,660,000 |
| 2046 | 1,725,000 |
| 2047 (maturity) | 1,795,000 |

The College is to maintain a reserve account equal to the maximum annual principal and interest requirements. The reserve balance as of August 31, 2024 and 2023 is \$1,862,400 and \$1,867,000, respectively, which meets the full reserve requirement.

The bond debt service requirements for the next five years and five years increments thereafter as of August 31, 2024 are as follows:

| <u>Fiscal Year Ending August 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|----------------------|----------------------|----------------------|
| 2025 | \$ 765,000 | \$ 1,097,400 | \$ 1,862,400 |
| 2026 | 800,000 | 1,066,800 | 1,866,800 |
| 2027 | 830,000 | 1,034,800 | 1,864,800 |
| 2028 | 865,000 | 1,001,600 | 1,866,600 |
| 2029 | 900,000 | 967,000 | 1,867,000 |
| 2030-2034 | 5,060,000 | 4,266,200 | 9,326,200 |
| 2035-2039 | 6,155,000 | 3,170,200 | 9,325,200 |
| 2040-2044 | 7,420,000 | 1,904,000 | 9,324,000 |
| 2045-2047 | 5,180,000 | 419,800 | 5,599,800 |
| Total | <u>\$ 27,975,000</u> | <u>\$ 14,927,800</u> | <u>\$ 42,902,800</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – BONDS PAYABLE – CONTINUED

Bond premium is deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported as net of bond premium or discount. Bond issuance costs are reported as expenses in the current period.

Future amortization of the bond premium for the next five years and five years increments thereafter as of August 31, 2024 are as follows:

| <u>Fiscal Year Ending August 31</u> | <u>Bond Premium Amortization</u> |
|---|--------------------------------------|
| 2025 | \$ 282,352 |
| 2026 | 274,260 |
| 2027 | 265,822 |
| 2028 | 257,053 |
| 2029 | 247,920 |
| 2030-2034 | 1,089,524 |
| 2035-2039 | 800,281 |
| 2040-2044 | 468,228 |
| 2045-2047 | 88,950 |
| | <u>\$ 3,774,390</u> |

NOTE 10 – EMPLOYEE RETIREMENT PLANS

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

Teacher Retirement System of Texas

Plan Description. The College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). The TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the online at https://www.trs.texas.gov/Pages/about_publications.aspx ; by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Benefits provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

| Contribution Rates | | |
|---|-------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| Member | 8.25% | 8.00% |
| Non – employer contributing entity (State) | 8.25% | 8.00% |
| Employers | 8.25% | 8.00% |
| Fiscal year 2023 College contributions | | \$ 512,476 |
| Fiscal year 2023 State of Texas on-behalf contributions | | \$ 365,005 |
| Fiscal year 2023 Member contributions | | \$ 888,431 |

The College's contributions to the TRS pension plan in 2024 were \$581,695 as reported in the Schedule of College's Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2024 were \$416,234.

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

| | |
|--|--|
| Valuation date | August 31, 2022 rolled forward to August 31, 2023 |
| Actuarial cost method | Individual Entry Age Normal |
| Asset valuation method | Fair Value |
| Single discount rate | 7.00% |
| Long-term expected investment rate of return | 7.00% |
| Municipal bond rate as of August 31, 2022 | 4.13%* |
| Last year ending August 31 in projection period (100 years) | 2122 |
| Inflation | 2.30% |
| Salary increases including inflation | 2.95% to 8.95% |
| Benefit changes during the year | None |
| Ad hoc post-employment benefit changes | None |

* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The board of trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used on the actuarial valuation as of August 31, 2022, except as disclosed.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Discount Rate. The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2023, are summarized below:

| Asset Class | Target Allocation %** | Long-Term Expected Geometric Real Rate of Return*** | Expected Contribution to Long-Term Portfolio Returns |
|--|-----------------------|---|--|
| Global Equity | | | |
| USA | 18.0 % | 4.0 % | 1.0 % |
| Non-US Developed | 13.0 | 4.5 | 0.9 |
| Emerging Markets | 9.0 | 4.8 | 0.7 |
| Private Equity* | 14.0 | 7.0 | 1.5 |
| Stable Value | | | |
| Government Bonds | 16.0 | 2.5 | 0.5 |
| Absolute Return* | 0.0 | 3.6 | 0.0 |
| Stable Value Hedge Funds | 5.0 | 4.1 | 0.2 |
| Real Return | | | |
| Real Estate | 15.0 | 4.9 | 1.1 |
| Energy, Natural Resources & Infrastructure | 6.0 | 4.8 | 0.4 |
| Commodities | 0.0 | 4.4 | 0.0 |
| Risk Parity | 8.0 | 4.5 | 0.4 |
| Asset Allocation Leverage | | | |
| Cash | 2.0 | 3.7 | 0.0 |
| Asset Allocation Leverage | (6.0) | 4.4 | (0.1) |
| Inflation Expectation | | | 2.3 |
| Volatility Drag**** | | | (0.9) |
| Expected Return | 100.0 % | | 8.0 % |
| *Absolute Return includes Credit Sensitive Investments. | | | |
| **Target allocations are based on the FY2023 policy model. | | | |
| ***Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023). | | | |
| ****The volatility drag results from the conversion between arithmetic and geometric mean returns. | | | |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the net pension liability.

| | <u>6.00%</u> <u>Discount Rate</u> | <u>7.00%</u> <u>Discount Rate</u> | <u>8.00%</u> <u>Discount Rate</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| College's proportionate share of the net pension liability | \$ 10,238,659 | \$ 6,848,347 | \$ 4,029,302 |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2024, the College reported a liability of \$6,848,347 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

| | |
|---|----------------------|
| College's proportionate share of the collective net pension liability | \$ 6,848,347 |
| State's proportionate share that is associated with College | <u>4,877,656</u> |
| Total | <u>\$ 11,726,003</u> |

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022, through August 31, 2023.

At the measurement date of August 31, 2023 the employer's proportion of the collective net pension liability was 0.0000997% which was an increase of 0.000001% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation

- The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability.
- The Texas 2023 Legislature passed legislation that provides one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which was paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the year ended August 31, 2023, the College recognized pension expense of \$736,484 and revenue of \$736,484 for support provided by the State.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

At August 31, 2024, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience | \$ 244,009 | \$ 82,926 |
| Changes in actuarial assumptions | 647,720 | 158,512 |
| Difference between projected and actual investment earnings | 996,601 | - |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 102,725 | 189,066 |
| Contributions paid to TRS subsequent to the measurement date | <u>581,695</u> | <u>-</u> |
| Total | \$ <u>2,572,750</u> | \$ <u>430,504</u> |

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending <u>August 31,</u> | |
|----------------------------------|---------------------|
| 2025 | \$ 325,398 |
| 2026 | 171,331 |
| 2027 | 794,738 |
| 2028 | 237,424 |
| 2029 | <u>31,660</u> |
| Total | \$ <u>1,560,551</u> |

Optional Retirement Plan

Plan Description. The State has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program (ORP) 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.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Optional Retirement Plan - Continued

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. In 2024, 2023, and 2022 the percentages of participant salaries contributed by the State and each participant were 6.6% and 6.65%, respectively of annual compensation. In addition, for fiscal years 2024, 2023, and 2022, the College contributed 1.9% of annual compensation for each participant hired on or before 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. SB 1812, effective September 1, 2013, passed by the 83rd Texas Legislature, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

Retirement expense. ORP expense to the State for the College, representing the portion of expended appropriations made by the State Legislature on behalf of the College, was \$51,866, \$55,908 and \$59,702 for the fiscal years ended August 31, 2024, 2023 and 2022, respectively.

The total payroll for all College employees was \$14,602,615, \$13,827,477 and \$13,098,848 for the fiscal years ended August 31, 2024, 2023 and 2022, respectively. The total payroll of employees covered by ORP was \$1,635,681, \$1,747,923 and \$1,882,741 for fiscal years August 31, 2024, 2023 and 2022, respectively. The total payroll of employees covered by TRS was \$12,096,114, \$11,105,394 and \$10,335,278 for fiscal years August 31, 2024, 2023 and 2022, respectively.

NOTE 11 – DEFERRED COMPENSATION PROGRAM

The College's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code Section 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants. As of August 31, 2024, the College had 26 employees participating in the program and a total of \$164,770 in contributions was invested in the plan during the fiscal year. As of August 31, 2023, the College had 26 employees participating in the program and a total of \$145,665 in contributions was invested in the plan during the fiscal year.

NOTE 12 – HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance 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 maximum contribution per full-time employee was \$625 and \$623 per month for fiscal years 2024 and 2023, respectively. The State's maximum contribution for dependent coverage was \$1,223 and \$1,220 per month for fiscal years 2024 and 2023, respectively. The table below depicts the cost of providing health care benefits to the College's retired and active employees, and the amount appropriated to the College from the State of Texas. Beginning September 1, 2013, SB 1812 limited the state's contribution to 50% of eligible employees for community colleges.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – HEALTH CARE AND LIFE INSURANCE BENEFITS – CONTINUED

| | 2024 | 2023 |
|--|--------------|--------------|
| Number of retirees | 79 | 71 |
| Cost of health benefits for retirees | \$ 601,167 | \$ 588,429 |
| Number of active full time employees | 170 | 167 |
| Cost of health benefits for active full time employees | \$ 1,526,606 | \$ 1,505,866 |
| State appropriation for health insurance | \$ 903,526 | \$ 930,643 |

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description. The College participates in a cost-sharing multiple-employer other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Financial Report that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained online; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided. Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions. 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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

**Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2023**

| | |
|--------------------|-------------|
| Retiree Only | \$ 624.82 |
| Retiree & Spouse | \$ 1,340.82 |
| Retiree & Children | \$ 1,104.22 |
| Retiree & Family | \$ 1,820.22 |

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2024 and 2023**

| | 2024 | 2023 |
|--|--------------|--------------|
| Employers | \$ 1,163,647 | \$ 1,122,267 |
| Members (Employees) | \$ 542,919 | \$ 294,249 |
| Non-Employer Contributing Entity (State) | \$ 930,648 | \$ 930,648 |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Valuation date | August 31, 2023 |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of payroll, open |
| Remaining amortization period | 30 years |
| Asset valuation method | Not applicable because the plan operates on pay-as-you-go basis |
| Discount rate | 3.81% |
| Projected annual salary increase | 2.30% to 8.95% including inflation |
| Annual healthcare trend rate | <u>HealthSelect</u> 5.60% for FY2025, 5.30% for FY2026, 5.00% for FY2027, 4.75% for FY2028, 4.60% for FY2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2032 and later years |
| | <u>HealthSelect Medicare Advantage</u> 16.40% for FY2025, 8.40% for FY2026, 5.00% for FY2027, 4.75% for FY2028, 4.60% for FY2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2032 and later years |
| | <u>Pharmacy</u> 10.00% for FY2025 and FY2026, decreasing 100 basis points per year to 5.00% for FY2031 and 4.30% for FY2032 and later years |
| Inflation assumption rate | 2.30% |
| Adhoc postemployment benefits changes | None |
| Mortality assumptions: | |
| Service retirees, survivors and other inactive members | Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021. |
| Disability retiree | Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates for four per 100 male members and two per 100 female members. |
| Active members | Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP=2021 Projection Scale from the year 2010. |

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2019 and the TRS retirement plan actuary as of August 31, 2021.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.59%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.81%, which amounted to an increase of 0.22%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used in measuring the net OPEB Liability.

| | 2.81% | 3.81% | 4.81% |
|--|----------------------|----------------------|----------------------|
| | <u>Discount Rate</u> | <u>Discount Rate</u> | <u>Discount Rate</u> |
| College's proportionate share of the net OPEB liability (in thousands) | \$12,097 | \$10,425 | \$9,081 |

Health Care Trend Rate Sensitivity Analysis The initial healthcare trend rate is 5.60% for HealthSelect and 16.40% for HealthSelect Medicare Advantage and the ultimate rate is 4.30% for both. The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB liability.

| | 1% Decrease (HealthSelect: 4.60% decreasing to 3.30%; HealthSelect Medicare Advantage: 15.40% to 3.30%; Pharmacy: 9.00% decreasing to 3.30%) | Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%; HealthSelect Medicare Advantage: 16.40% to 4.30%; Pharmacy: 10.00% decreasing to 4.30%) | 1% Increase (HealthSelect: 6.60% decreasing to 5.30%; HealthSelect Medicare Advantage: 17.40% to 5.30%; Pharmacy: 11.00% decreasing to 5.30%) |
|--|---|---|--|
| College's proportionate share of the net OPEB liability (in thousands) | \$8,967 | \$10,425 | \$12,277 |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2024, the College reported a liability of \$10,425,212 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

| | |
|--|----------------------|
| College's proportionate share of the collective net OPEB liability | \$ 10,425,212 |
| State's proportionate share that is associated with College | <u>8,337,753</u> |
| Total | <u>\$ 18,762,965</u> |

The net OPEB liability was measured as of August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022, through August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.03902012% which was an increase of 0.00095882% from its proportion measured as of August 31, 2022.

For the year ended August 31, 2024, the College recognized a reversal in OPEB expense of \$247,439 and revenue of \$247,439 for OPEB support provided by the State.

Unpaid contributions to the OPEB plan included in payables were \$101,745 and \$96,422 at August 31, 2024 and 2023, respectively.

Changes Since the Prior Actuarial Valuation. Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.

In addition, assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations. Other changes reflect:

- The percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the opt-out credit at retirement.
- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.
- The discount rate assumption was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 as a result of requirements by GASB 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

Changes of Benefit Terms Since Prior Measurement Date. The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

At August 31, 2024, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience | \$ - | \$ 275,752 |
| Changes in actuarial assumptions | 347,773 | 3,255,934 |
| Differences between projected and actual investment earnings | 842 | - |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 616,480 | 282,536 |
| Contributions paid to ERS subsequent to the measurement date | <u>214,872</u> | <u>-</u> |
| Total | \$ <u>1,179,967</u> | \$ <u>3,814,222</u> |

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending August 31.</u> | |
|-----------------------------------|-----------------------|
| 2025 | \$ (876,664) |
| 2026 | (771,837) |
| 2027 | (645,396) |
| 2028 | (481,540) |
| 2029 | <u>(73,690)</u> |
| Total | \$ <u>(2,849,127)</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – COMPENSATED ABSENCES

The College has three ways in which compensated absences can be earned.

Sick Leave

All full-time employees earn sick leave at the rate of one day per month. Sick leave can accumulate to a maximum of 60 days for the purpose of carry-over from year to year. Unused accrued sick leave is forfeited upon termination of employment with the College with one exception. Sick leave which was accrued prior to September 1, 1989, is compensated at the rate of one-half the accrued amount up to a maximum of 60 days based on the employee's salary at separation of service. The College's policy is to recognize sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

Vacation

Classified and administrative full-time employees are eligible for vacation benefits at a rate of one day per full month of employment and may accrue and carry forward from one year to the next a maximum of 30 vacation days. Upon termination of employment, not more than 30 vacation days shall be compensated. The College has recognized an accrued liability for unpaid vacation leave in the amount of \$492,508 and \$488,562 as of August 31, 2024 and 2023, respectively. Faculty employees are not eligible to earn vacation benefits.

Compensatory Time

For nonexempt employees, it is the policy of the College to compensate overtime hours worked with compensatory time calculated at the rate of 1.5 times for each hour worked over 40 hours per week. All compensatory hours should be used by the end of the month following that in which it was earned; however, a maximum of 40 hours may be accrued and carried forward from year to year. The liability is not shown in the financial statements since experience indicates the expenditure of compensatory time to be minimal.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – 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, business/land personal property located in the tax area of the College. 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.

| | | |
|--|-------------------------|-------------------------|
| At August 31: | 2024 | 2023 |
| Certified Taxable Valuation of the College | \$14,188,752,114 | \$12,199,358,614 |
| Adjustments | <u>427,719,806</u> | <u>262,033,174</u> |
| Net Assessed Valuation of the College | <u>\$14,616,471,920</u> | <u>\$12,461,391,788</u> |

| | | | |
|---|-------------------|----------------|--------------|
| | 2024 | | |
| | Current | Debt | |
| | <u>Operations</u> | <u>Service</u> | <u>Total</u> |
| Authorized Tax Rate per \$100 Valuation | \$.270000 | - | \$.270000 |
| Assessed Tax Rate per \$100 Valuation | \$.124000 | - | \$.124000 |

| | | | |
|---|-------------------|----------------|--------------|
| | 2023 | | |
| | Current | Debt | |
| | <u>Operations</u> | <u>Service</u> | <u>Total</u> |
| Authorized Tax Rate per \$100 Valuation | \$.270000 | - | \$.270000 |
| Assessed Tax Rate per \$100 Valuation | \$.132000 | - | \$.132000 |

Taxes levied for the years ended August 31, 2024 and 2023, based on certified rolls, as reported by the taxing authorities amounted to \$18,132,593 and \$16,454,969, respectively. Galveston County Tax Assessor and Collector is the collecting agency for the levy and remits collections to the College, net of a collection fee.

Tax collections for the years ended August 31, 2024 and 2023 were as follows:

| | | |
|----------------------------------|----------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Current Taxes Collected | \$ 17,693,816 | \$ 15,996,906 |
| Delinquent Taxes Collected | 306,666 | 347,556 |
| Penalties and Interest Collected | <u>200,351</u> | <u>198,278</u> |
| Total Collections | <u>\$ 18,200,833</u> | <u>\$ 16,542,740</u> |

Tax collections for the years ended August 31, 2024 and 2023 were 97.58% and 97.22%, 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 fund expenditures.

Property taxes are an imposed non-exchange revenue. Assets from non-exchange transactions are recorded with the entity has an enforceable legal claim to the asset or when the entity receives the resources, whichever comes first. The enforceable legal claim date is the assessment date. Accordingly, the College has recognized all assessed taxes in the current year and has recorded a receivable for uncollected taxes.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – CONTRACTS AND GRANT AWARDS

Contracts and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Contracts and grant awards are recognized as revenues as funds are actually expended. For contracts and grant awards, funds expended but not collected are reported as receivables. Funds received but not expended during the reporting period are deferred until earned. As of August 31, 2024 and 2023, \$305,463 and \$156,461, respectively, of grant funds have been received in advance.

NOTE 17 – DESIGNATED UNRESTRICTED NET POSITION

In fiscal year 2011, the Board approved \$5,128,890 of unrestricted net position to be designated in the event of a natural disaster.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Federal and State of Texas Assisted Programs

The College participates in a number of federal and State of Texas assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the College's compliance with applicable grant requirements will be finally determined at some future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

NOTE 19 – GALVESTON COLLEGE FOUNDATION AND RELATED PARTY DISCLOSURE REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION

The following list of related party transactions is provided solely to comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability To Benefit regulation promulgated by the U.S. Department of Education:

The Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College.

The Foundation remitted \$427,900 and \$366,457 to the College for scholarship awards during the years ended August 31, 2024 and 2023, respectively. The Foundation funded \$1,000,000 in grant programs in 2024. No grant programs were funded by the Foundation in 2023.

During the years ended August 31, 2024 and 2023, the College provided office space and staff assistance to the Foundation at no cost. The College's management estimates the value of the salary, benefits, and operational expense provided to the Foundation to be \$75,519 and \$63,333 for fiscal years 2024 and 2023, respectively.

REQUIRED SUPPLEMENTARY SCHEDULES

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GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS
(Unaudited)

| For the years ended August 31* | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| College's proportionate share of collective net pension liability | 0.0099699% | 0.0098528% | 0.0100491% | 0.0103272% | 0.0106717% | 0.0099487% | 0.0102763% | 0.0104586% | 0.0103144% | 0.0117839% |
| College's proportionate share of collective net pension liability | \$ 6,848,347 | \$ 5,849,340 | \$ 2,559,160 | \$ 5,531,062 | \$ 5,547,478 | \$ 5,475,997 | \$ 3,285,796 | \$ 3,952,159 | \$ 3,646,003 | \$ 3,147,643 |
| State's proportionate share of net pension liability associated with College | 4,877,656 | 4,242,731 | 1,932,466 | 4,190,817 | 3,967,963 | 3,979,071 | 2,073,938 | 2,466,383 | 2,388,048 | 2,061,454 |
| Total | 11,726,003 | 10,092,071 | 4,491,626 | 9,721,879 | 9,515,441 | 9,455,068 | 5,359,734 | 6,418,542 | 6,034,051 | 5,209,097 |
| College's covered payroll | \$ 11,105,394 | \$ 10,335,278 | \$ 10,042,641 | \$ 10,004,906 | \$ 9,546,366 | \$ 8,576,788 | \$ 8,069,445 | \$ 7,880,598 | \$ 7,415,939 | \$ 7,235,080 |
| College's proportionate share of collective net pension liability as a percentage of covered payroll | 61.67% | 56.60% | 25.48% | 55.28% | 58.11% | 63.85% | 40.72% | 50.15% | 49.16% | 43.51% |
| Plan fiduciary net position as percentage of the total pension liability | 73.15% | 75.62% | 88.79% | 75.54% | 75.24% | 73.74% | 82.17% | 78.00% | 78.43% | 83.25% |

* The amounts presented above are as of the measurement date of the collective net pension liability.

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR PENSIONS
LAST TEN FISCAL YEARS
(Unaudited)

| For the years ended August 31* | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Legally required contributions | \$ 581,695 | \$ 512,476 | \$ 459,759 | \$ 428,844 | \$ 426,105 | \$ 373,127 | \$ 334,968 | \$ 336,796 | \$ 332,513 | \$ 305,714 |
| Actual contributions | <u>(581,695)</u> | <u>(512,476)</u> | <u>(459,759)</u> | <u>(428,844)</u> | <u>(426,105)</u> | <u>(373,127)</u> | <u>(334,968)</u> | <u>(336,796)</u> | <u>(332,513)</u> | <u>(305,714)</u> |
| Contributions deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| College's covered payroll amount | \$ <u>12,096,114</u> | \$ <u>11,105,394</u> | \$ <u>10,335,278</u> | \$ <u>10,042,641</u> | \$ <u>10,004,906</u> | \$ <u>9,546,336</u> | \$ <u>8,576,788</u> | \$ <u>8,069,445</u> | \$ <u>7,880,598</u> | \$ <u>7,415,939</u> |
| Contributions as a percentage of covered payroll | 4.81% | 4.61% | 4.45% | 4.27% | 4.26% | 3.91% | 3.91% | 4.17% | 4.22% | 4.12% |

* The amounts presented above are as of the College's most recent fiscal year-end.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES FOR PENSIONS
FOR THE YEAR ENDED AUGUST 31, 2024

NOTE 1 - CHANGES OF BENEFIT TERMS INCLUDE:

There were no changes in benefit terms for the fiscal year ended August 31, 2024.

NOTE 2 - CHANGES OF ASSUMPTIONS:

The Texas 2023 Legislature passed legislation that provides one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which was paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
EMPLOYEE RETIREMENT SYSTEM OF TEXAS
STATE RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**
(Unaudited)

| For the year ended August 31* | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| College's proportion of collective net OPEB liability | 0.03902012% | 0.03806130% | 0.03724318% | 0.03561330% | 0.03802483% | 0.03727228% | 0.02926327% |
| College's proportionate share of collective net OPEB liability | \$ 10,425,212 | \$ 10,842,509 | \$ 13,361,177 | \$ 11,768,283 | \$ 13,142,398 | \$ 11,046,663 | \$ 9,970,878 |
| State's proportionate share of net OPEB liability associated with College | 8,337,753 | 8,991,232 | 11,263,707 | 10,372,590 | 10,342,591 | 8,714,666 | 9,948,492 |
| Total | 18,762,965 | 19,833,741 | 24,624,884 | 22,140,873 | 23,484,989 | 19,761,329 | 19,919,370 |
| College's covered-employee payroll | \$ 14,032,841 | \$ 12,129,971 | \$ 11,871,132 | \$ 11,785,731 | \$ 11,398,722 | \$ 10,505,500 | \$ 10,018,381 |
| College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll | 74.29% | 89.39% | 112.55% | 99.85% | 115.30% | 105.15% | 99.53% |
| Plan fiduciary net position as percentage of the total OPEB liability | 0.63% | 0.57% | 0.38% | 0.32% | 0.17% | 1.27% | 2.04% |

* The amounts presented above are as of the measurement date of the collective net OPEB liability.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR OPEB
EMPLOYEE RETIREMENT SYSTEM OF TEXAS
STATE RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**
(Unaudited)

| For the year ended August 31* | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Legally required contributions | \$ 1,227,583 | \$ 1,165,209 | \$ 1,026,233 | \$ 1,119,322 | \$ 980,737 | \$ 1,126,497 | \$ 1,087,352 |
| Actual contributions | <u>(1,227,583)</u> | <u>(1,165,209)</u> | <u>(1,026,233)</u> | <u>(1,119,322)</u> | <u>(980,737)</u> | <u>(1,126,497)</u> | <u>(1,087,352)</u> |
| Contributions deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| College's covered-employee payroll amount | \$ <u>14,801,528</u> | \$ <u>14,032,841</u> | \$ <u>12,129,971</u> | \$ <u>11,871,132</u> | \$ <u>11,785,731</u> | \$ <u>12,386,235</u> | \$ <u>10,505,500</u> |
| Contributions as a percentage of covered-employee payroll | 8.29% | 8.30% | 8.46% | 9.43% | 8.32% | 9.09% | 10.35% |

* The amounts presented above are as of the College's most recent fiscal year-end.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES FOR OPEB
FOR THE YEAR ENDED AUGUST 31, 2024

NOTE 1 - CHANGES OF BENEFIT TERMS INCLUDE:

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs FY2023, are provided for in the FY2023 Assumed Per Capita Health Benefit Costs.

NOTE 2 - CHANGES OF ASSUMPTIONS:

The following assumptions have been updated since the previous valuation to reflect plan experience and expected trends.

Demographic Assumptions

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children. Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.

Economic Assumptions

- Assumed per capita health benefit costs, and health benefit costs and retiree contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- The Patient-Centered Outcomes Research institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.
- The discount rate assumption was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 as a result of requirements by GASB 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

SUPPLEMENTARY SCHEDULES

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GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)

Schedule A

| | Unrestricted | Restricted | Total Educational Activity | Auxiliary Enterprises | 2024 Total | 2023 Total |
|--|---------------------|---------------------|----------------------------------|--------------------------|---------------------|---------------------|
| Tuition: | | | | | | |
| State Funded Credit Courses: | | | | | | |
| In-District Resident Tuition | \$ 2,351,287 | \$ - | \$ 2,351,287 | \$ - | \$ 2,351,287 | \$ 2,222,708 |
| TPEG - Credit (set aside) * | 161,131 | - | 161,131 | - | 161,131 | 149,067 |
| Non-Resident Tuition | 246,552 | - | 246,552 | - | 246,552 | 284,500 |
| Non-State Funded Educational Programs | 125,630 | - | 125,630 | - | 125,630 | 48,790 |
| Total Tuition | <u>2,884,600</u> | <u>-</u> | <u>2,884,600</u> | <u>-</u> | <u>2,884,600</u> | <u>2,705,065</u> |
| Fees: | | | | | | |
| Student Service Fee | - | - | - | 63,699 | 63,699 | 61,484 |
| Course Fees | 743,313 | - | 743,313 | - | 743,313 | 718,960 |
| Building Use Fee | 1,321,962 | - | 1,321,962 | - | 1,321,962 | 1,282,131 |
| Out of District Fee | 550,630 | - | 550,630 | - | 550,630 | 509,550 |
| General Service Fee | 284,387 | - | 284,387 | - | 284,387 | 271,330 |
| Registration Fee | 170,607 | - | 170,607 | - | 170,607 | 164,358 |
| Total Fees | <u>3,070,899</u> | <u>-</u> | <u>3,070,899</u> | <u>63,699</u> | <u>3,134,598</u> | <u>3,007,813</u> |
| Scholarship Allowances and Discounts: | | | | | | |
| Scholarship Allowances | (1,015,640) | - | (1,015,640) | (10,735) | (1,026,375) | (838,306) |
| Remissions and Exemptions - State | (700,967) | - | (700,967) | - | (700,967) | (611,331) |
| Title IV Federal Grants to Students | (1,816,360) | - | (1,816,360) | (20,860) | (1,837,220) | (1,823,722) |
| Total Scholarship Allowances and Discounts | <u>(3,532,967)</u> | <u>-</u> | <u>(3,532,967)</u> | <u>(31,595)</u> | <u>(3,564,562)</u> | <u>(3,273,359)</u> |
| Total Net Tuition and Fees | <u>2,422,532</u> | <u>-</u> | <u>2,422,532</u> | <u>32,104</u> | <u>2,454,636</u> | <u>2,439,519</u> |
| Additional Operating Revenues: | | | | | | |
| Federal Grants and Contracts | - | 1,770,659 | 1,770,659 | - | 1,770,659 | 2,689,587 |
| State Grants and Contracts | - | 708,267 | 708,267 | - | 708,267 | 257,995 |
| Private Grants and Scholarships | - | 1,899,413 | 1,899,413 | - | 1,899,413 | 838,239 |
| Other Operating Revenues | 447,296 | - | 447,296 | - | 447,296 | 412,577 |
| Total Additional Operating Revenues | <u>447,296</u> | <u>4,378,339</u> | <u>4,825,635</u> | <u>-</u> | <u>4,825,635</u> | <u>4,198,398</u> |
| Auxiliary Enterprises: | | | | | | |
| Residential Life | - | - | - | 897,087 | 897,087 | 864,286 |
| Less Scholarship Allowances and Discounts | - | - | - | (447,215) | (447,215) | (448,084) |
| Bookstore Commissions | - | - | - | 52,617 | 52,617 | 61,053 |
| Vending Commissions | - | - | - | 2,608 | 2,608 | 6,098 |
| Other Auxiliary Revenue | - | - | - | 131,057 | 131,057 | 136,636 |
| Total Auxiliary Enterprises | <u>-</u> | <u>-</u> | <u>-</u> | <u>636,154</u> | <u>636,154</u> | <u>619,989</u> |
| Total Operating Revenues | <u>\$ 2,869,828</u> | <u>\$ 4,378,339</u> | <u>\$ 7,248,167</u> | <u>\$ 668,258</u> | <u>\$ 7,916,425</u> | <u>\$ 7,257,906</u> |
| | | | | | (Exhibit 2) | (Exhibit 2) |

* In accordance with Education Code §56.003, \$161,131 and \$149,067 for years August 31, 2024 and 2023, respectively, of tuition was set aside for Texas Public Education Grants (TPEG)

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)

Schedule B

| | Operating Expenses | | | 2024 | 2023 |
|---|-----------------------|--------------|-------------------|---------------|---------------|
| | Salaries and Wages | Benefits | Other Expenses | Total | Total |
| | | State | Local | | |
| Unrestricted - Educational Activities: | | | | | |
| Instruction | \$ 6,708,906 | \$ - | \$ 1,474,584 | \$ 940,813 | \$ 9,124,303 |
| Public Service | 9,467 | - | 810 | 62,485 | 72,762 |
| Academic Support | 1,458,863 | - | 339,085 | 264,240 | 2,062,188 |
| Student Services | 1,749,620 | - | 430,330 | 824,492 | 3,004,442 |
| Institutional Support | 2,697,969 | - | 596,171 | 2,374,436 | 5,668,576 |
| Operation and Maintenance of Plant | 737,357 | - | 337,503 | 2,363,693 | 3,438,553 |
| Total Unrestricted Educational Activities | 13,362,182 | - | 3,178,483 | 6,830,159 | 23,370,824 |
| Restricted - Educational Activities: | | | | | |
| Instruction | 510,011 | 711,728 | 129,198 | 199,902 | 1,550,839 |
| Academic Support | - | 174,022 | - | - | 174,022 |
| Student Services | 521,346 | 238,307 | 151,834 | 79,196 | 990,683 |
| Institutional Support | - | 286,001 | - | - | 286,001 |
| Operation and Maintenance of Plant | - | - | - | - | - |
| Scholarships and Fellowships | - | - | - | 2,980,034 | 2,980,034 |
| Total Restricted Educational Activities | 1,031,357 | 1,410,058 | 281,032 | 3,259,132 | 5,981,579 |
| Total Educational Activities | 14,393,539 | 1,410,058 | 3,459,515 | 10,089,291 | 29,352,403 |
| Auxiliary Enterprises | 240,339 | - | 67,757 | 1,108,989 | 1,417,085 |
| Depreciation Expense - Buildings and Other Real Estate | | | | | |
| Improvements | - | - | - | 860,107 | 860,107 |
| Depreciation Expense - Equipment, Furniture and Library Books | - | - | - | 731,965 | 731,965 |
| Amortization Expense - Subscription-Based Assets | - | - | - | 570,716 | 570,716 |
| Total Operating Expenses | \$ 14,633,878 | \$ 1,410,058 | \$ 3,527,272 | \$ 13,361,068 | \$ 32,932,276 |
| | | | | (Exhibit 2) | (Exhibit 2) |

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)

Schedule C

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Auxiliary Enterprises</u> | <u>2024 Total</u> | <u>2023 Total</u> |
|--|----------------------|---------------------|----------------------------------|-------------------------------------|-------------------------------------|
| Non-Operating Revenues: | | | | | |
| State Appropriations: | | | | | |
| Education and General State Support | \$ 4,871,134 | \$ - | \$ - | \$ 4,871,134 | \$ 4,799,136 |
| State Group Insurance | - | 903,526 | - | 903,526 | 930,643 |
| State Retirement Match | - | 541,506 | - | 541,506 | 134,565 |
| | <u>4,871,134</u> | <u>1,445,032</u> | <u>-</u> | <u>6,316,166</u> | <u>5,864,344</u> |
| Total State Appropriations | | | | | |
| Property Taxes | 18,247,018 | - | - | 18,247,018 | 16,585,136 |
| Federal Student Assistance (Title IV Grants) | - | 4,629,025 | - | 4,629,025 | 4,267,186 |
| Investment Income | 2,059,365 | - | - | 2,059,365 | 2,159,237 |
| | <u>20,306,383</u> | <u>4,629,025</u> | <u>-</u> | <u>24,935,408</u> | <u>23,011,559</u> |
| Total Non-Operating Revenues | | | | | |
| Non-Operating Expenses: | | | | | |
| Interest on Capital-Related Debt | 825,754 | - | - | 825,754 | 847,403 |
| Loss on Disposal of Capital Assets | - | - | - | - | 397,110 |
| | <u>825,754</u> | <u>-</u> | <u>-</u> | <u>825,754</u> | <u>1,244,513</u> |
| Total Non-Operating Expenses | | | | | |
| NET NON-OPERATING REVENUES | \$ <u>24,351,763</u> | \$ <u>6,074,057</u> | \$ <u>-</u> | \$ <u>30,425,820</u> (Exhibit 2) | \$ <u>27,631,390</u> (Exhibit 2) |

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
FOR THE YEAR ENDED AUGUST 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)

Schedule D

| | Detail by Source | | | | | Available for Current Operations | |
|-------------------------------------|---------------------|-----------------|----------------|---|---------------------|----------------------------------|---------------------|
| | Unrestricted | Restricted | | Capital Assets Net of Depreciation & Related Debt | Total | Yes | No |
| | | Expendable | Non-Expendable | | | | |
| Current: | | | | | | | |
| Unrestricted | \$ 12,737,798 | \$ - | \$ - | \$ - | \$ 12,737,798 | \$ 12,737,798 | \$ - |
| Auxiliary | 663,834 | - | - | - | 663,834 | 663,834 | - |
| Scholarships | - | 216,625 | - | - | 216,625 | 216,625 | - |
| Plant: | | | | | | | |
| Unexpended | 1,105,856 | - | - | - | 1,105,856 | 1,105,856 | - |
| Debt Service | - | 1,862,400 | - | - | 1,862,400 | - | 1,862,400 |
| Investment in Plant | - | - | - | 29,428,845 | 29,428,845 | - | 29,428,845 |
| Total Net Position, August 31, 2024 | 14,507,488 | 2,079,025 | - | 29,428,845 | 46,015,358 | 14,724,113 | 31,291,245 |
| Total Net Position, August 31, 2023 | 11,892,863 | 2,071,770 | - | 26,640,756 | 40,605,389 | 12,097,633 | 28,507,756 |
| Net Increase in Net Position | \$ <u>2,614,625</u> | \$ <u>7,255</u> | \$ <u>-</u> | \$ <u>2,788,089</u> | \$ <u>5,409,969</u> | \$ <u>2,626,480</u> | \$ <u>2,783,489</u> |
| | | | | | (Exhibit 2) | | |

SINGLE AUDIT REPORTS
AND REQUIRED SUPPLEMENTAL SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

a beacon of light guiding lifelong learning



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

Board of Regents
Galveston Community College District
Galveston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Galveston Community College District (the College) as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

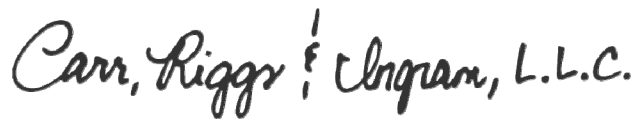
As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Report on Texas Public Funds Investment Act

We also performed tests of the College's compliance with the requirements of the Texas Public Funds Investment Act (the Act). The results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and accordingly, we do not express an opinion.

Purpose of this Report

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

Houston, Texas
December 27, 2024



CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Regents
Galveston Community College District
Galveston, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Galveston Community College District's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended August 31, 2024. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
December 27, 2024

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

Schedule E

| Federal Grantor/Pass-Through Grantor/ Program Title | Assistance Listing Number | Pass-Through Grantor's Number | Expenditures and Pass-Through Disbursements | Expenditures to Subrecipients |
|--|---------------------------------|-------------------------------------|--|-------------------------------------|
| U.S. Department of Education | | | | |
| Direct Programs: | | | | |
| Student Financial Assistance Cluster: | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | | \$ 60,167 | \$ - |
| Federal Work-Study Program | 84.033 | | 99,974 | - |
| Federal Pell Grant Program | 84.063 | | 4,468,884 | - |
| Federal Direct Student Loans | 84.268 | | 1,364,694 | - |
| Total Student Financial Assistance Cluster | | | 5,993,719 | - |
| TRIO Cluster: | | | | |
| TRIO - Student Support Services | 84.042A | | 296,200 | - |
| TRIO - Upward Bound | 84.047A | | 289,239 | - |
| Total TRIO Cluster | | | 585,439 | - |
| Higher Education - Institutional Aid - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College | 84.031S | | 425,898 | - |
| Passed-Through From: | | | | |
| Texas Higher Education Coordinating Board: | | | | |
| Career and Technical Education - Basic Grants | 84.048 | 29769 | 196,675 | - |
| Total U.S. Department of Education | | | 7,201,731 | - |
| U.S. Department of Agriculture | | | | |
| Passed-Through From: | | | | |
| The University of Texas Medical Branch at Galveston | | | | |
| Agriculture and Food Research Initiative (AFRI) | | | | |
| Rapid Detection of Incursions of SARS-CoV-2 and Novel Coronaviruses on Texas | | | | |
| Meat and Dairy Farms | 10.310 | 24-86575-01 | 17,129 | - |
| U.S. Department of Treasury | | | | |
| Passed-Through From: | | | | |
| Texas Higher Education Coordinating Board: | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | | | | |
| Texas Reskilling and Upskilling Through Education (TRUE) Grant Program | 21.027 | 27275 | 21,187 | - |
| National Science Foundation | | | | |
| Direct Programs: | | | | |
| Research and Development Cluster: | | | | |
| HSI Institutional Transformation Project: Unified Community of Support - Building Capacity for STEM Transfer Students' Success | 47.076 | | 524,331 | - |
| Total Research and Development Cluster and National Science Foundation | | | 524,331 | - |
| Total Expenditures of Federal Awards | | | \$ 7,764,378 | \$ - |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The Schedule of Expenditures of Federal Awards presents the activity of Federal financial assistance programs of the College for the year ended August 31, 2024. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the College for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedules.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The College did not receive any federal noncash assistance for the year ended August 31, 2024.

NOTE 2 – FEDERAL ASSISTANCE RECONCILIATION

The information in this Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the College's financial statements. See reconciliation below:

| | |
|--|-------------------------|
| Federal Revenues: | |
| Federal Grants and Contracts (Schedule A) | \$ 1,770,659 |
| Federal Student Assistance, Non-Operating (Schedule C) | <u>4,629,025</u> |
| Total Federal Revenues, per Statement of Revenues, Expenses and Changes in Net Position | 6,399,684 |
| Reconciling Item – Direct Student Loans | <u>1,364,694</u> |
| Total Federal Revenues per Schedule of Expenditures of Federal Awards | <u>\$ 7,764,378</u> |

NOTE 3 – RELATIONSHIP TO FEDERAL REPORTS

Differences between amounts reflected in the financial reports filed with grantor agencies for the programs and in the Schedule of Expenditures of Federal Awards are due to different program year-end dates and accruals that will be reflected in the next report filed with the agencies.

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiencies identified not considered to be material weaknesses? None noted

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major program:

- Material weakness(es) identified? No
- Significant deficiencies identified not considered to be material weaknesses? None noted

Type of auditor’s report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *Uniform Guidance*? No

Identification of major program:

Assistance Listing Number

Name of Federal Programs

Student Financial Assistance Cluster:

| | |
|--------|---|
| 84.007 | Federal Supplemental Educational Opportunity Grants |
| 84.033 | Federal Work-Study Program |
| 84.063 | Federal Pell Grant Program |
| 84.268 | Federal Direct Student Loans |

Dollar threshold used to distinguish between Type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED AUGUST 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None for the year ended August 31, 2024.

SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS

None for the year ended August 31, 2023.

SUPPLEMENTARY INFORMATION – STATISTICAL SECTION (UNAUDITED)

These statistical tables provide selected financial and demographic information.
The statistical tables are for informational purposes only and are not audited.

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GALVESTON COMMUNITY COLLEGE DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

Table 1

| | | For the Year Ended August 31, (Amounts Expressed in Thousands) | | | | | | | | | |
|---|----|---|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Invested in Capital Assets, Net of Related Debt | \$ | 29,429 | 26,641 | \$ 25,887 | \$ 25,641 | \$ 25,086 | \$ 21,431 | \$ 20,901 | \$ 20,510 | \$ 20,188 | \$ 19,538 |
| Restricted - Expendable | | 2,079 | 2,072 | 2,082 | 237 | 221 | 217 | 188 | 253 | 242 | 174 |
| Unrestricted | | 14,507 | 11,893 | 8,793 | 7,513 | 4,626 | 3,953 | 2,829 | 13,428 | 11,002 | 9,383 |
| Total Net Position | \$ | <u>46,015</u> | <u>40,606</u> | <u>\$ 36,762</u> | <u>\$ 33,391</u> | <u>\$ 29,933</u> | <u>\$ 25,601</u> | <u>\$ 23,918</u> | <u>\$ 34,191</u> | <u>\$ 31,432</u> | <u>\$ 29,095</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Table 2

| | For the Year Ended August 31, (Amounts Expressed in Thousands) | | | | | | | | | |
|---------------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Tuition and Fees (Net of Discounts) | \$ 2,455 | \$ 2,439 | \$ 2,308 | \$ 2,708 | \$ 2,835 | \$ 2,901 | \$ 2,909 | \$ 2,767 | \$ 2,605 | \$ 2,574 |
| Governmental Grants and Contracts: | | | | | | | | | | |
| Federal Grants and Contracts | 1,771 | 2,690 | 7,132 | 3,255 | 2,501 | 2,227 | 1,180 | 1,756 | 1,543 | 2,078 |
| State Grants and Contracts | 708 | 258 | 447 | 368 | 303 | 361 | 441 | 224 | 505 | 604 |
| Non-Governmental Grants and Contracts | 1,899 | 838 | 752 | 702 | 2,815 | 950 | 638 | 782 | 556 | 581 |
| Auxiliary Enterprises | 636 | 620 | 582 | 562 | 311 | 341 | 315 | 244 | 233 | 298 |
| Other Operating Revenues | 447 | 413 | 225 | 223 | 116 | 259 | 175 | 261 | 217 | 137 |
| Total Operating Revenues | <u>7,916</u> | <u>7,258</u> | <u>11,446</u> | <u>7,818</u> | <u>8,881</u> | <u>7,039</u> | <u>5,658</u> | <u>6,034</u> | <u>5,659</u> | <u>6,272</u> |
| State Appropriations | 6,316 | 5,864 | 5,650 | 5,997 | 6,250 | 5,391 | 5,687 | 4,741 | 4,766 | 4,709 |
| Property Taxes | 18,247 | 16,585 | 15,458 | 14,449 | 14,284 | 13,870 | 12,762 | 12,355 | 11,815 | 11,022 |
| Federal Student Assistance | 4,629 | 4,267 | 3,647 | 3,601 | 3,573 | 3,528 | 2,932 | 2,845 | 2,729 | 2,852 |
| Investment and Other Income | 2,059 | 2,159 | 316 | 35 | 261 | 480 | 292 | 124 | 51 | 19 |
| Other Non-Operating Revenues | - | - | - | - | 3 | - | 58 | 137 | 49 | - |
| Total Non-Operating Revenues | <u>31,251</u> | <u>28,875</u> | <u>25,071</u> | <u>24,082</u> | <u>24,371</u> | <u>23,269</u> | <u>21,731</u> | <u>20,202</u> | <u>19,410</u> | <u>18,602</u> |
| Total Revenues | <u>\$ 39,167</u> | <u>\$ 36,133</u> | <u>\$ 36,517</u> | <u>\$ 31,900</u> | <u>\$ 33,252</u> | <u>\$ 30,308</u> | <u>\$ 27,389</u> | <u>\$ 26,236</u> | <u>\$ 25,069</u> | <u>\$ 24,874</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Table 2 - Continued

| | For the Year Ended August 31, | | | | | | | | | |
|---------------------------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Tuition and Fees (Net of Discounts) | 6.27% | 6.75% | 6.32% | 8.49% | 8.52% | 9.57% | 10.62% | 10.55% | 10.39% | 10.35% |
| Governmental Grants and Contracts: | | | | | | | | | | |
| Federal Grants and Contracts | 4.52% | 7.44% | 19.53% | 10.21% | 7.52% | 7.35% | 4.31% | 6.69% | 6.16% | 8.35% |
| State Grants and Contracts | 1.81% | 0.71% | 1.22% | 1.15% | 0.91% | 1.19% | 1.61% | 0.85% | 2.01% | 2.43% |
| Non-Governmental Grants and Contracts | 4.85% | 2.32% | 2.06% | 2.20% | 8.47% | 3.13% | 2.33% | 2.98% | 2.22% | 2.34% |
| Auxiliary Enterprises | 1.62% | 1.72% | 1.59% | 1.76% | 0.93% | 1.13% | 1.15% | 0.93% | 0.93% | 1.20% |
| Other Operating Revenues | 1.13% | 1.14% | 0.62% | 0.70% | 0.35% | 0.85% | 0.64% | 1.00% | 0.87% | 0.55% |
| Total Operating Revenues | <u>20.20%</u> | <u>20.08%</u> | <u>31.34%</u> | <u>24.51%</u> | <u>26.70%</u> | <u>23.22%</u> | <u>20.66%</u> | <u>23.00%</u> | <u>22.58%</u> | <u>25.22%</u> |
| State Appropriations | 16.13% | 16.23% | 15.47% | 18.80% | 18.80% | 17.79% | 20.76% | 18.07% | 19.01% | 18.93% |
| Property Taxes | 46.59% | 45.90% | 42.33% | 45.29% | 42.96% | 45.76% | 46.60% | 47.09% | 47.13% | 44.31% |
| Federal Student Assistance | 11.82% | 11.81% | 9.99% | 11.29% | 10.75% | 11.65% | 10.71% | 10.84% | 10.89% | 11.46% |
| Investment and Other Income | 5.26% | 5.98% | 0.87% | 0.11% | 0.78% | 1.58% | 1.07% | 0.47% | 0.20% | 0.08% |
| Other Non-Operating Revenues | - | - | - | - | 0.01% | - | 0.20% | 0.53% | 0.19% | - |
| Total Non-Operating Revenues | <u>79.80%</u> | <u>79.92%</u> | <u>68.66%</u> | <u>75.49%</u> | <u>73.30%</u> | <u>76.78%</u> | <u>79.34%</u> | <u>77.00%</u> | <u>77.42%</u> | <u>74.78%</u> |
| Total Revenues | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Table 3

| | For the Year Ended August 31, (Amounts Expressed in Thousands) | | | | | | | | | |
|------------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Instruction | \$ 10,675 | \$ 10,475 | \$ 9,743 | \$ 9,826 | \$ 9,744 | \$ 9,774 | \$ 9,052 | \$ 8,436 | \$ 8,008 | \$ 7,520 |
| Public Service | 73 | 17 | 2 | 4 | 7 | 15 | 38 | 25 | 36 | 21 |
| Academic Support | 2,236 | 2,069 | 1,838 | 1,911 | 1,974 | 1,866 | 1,780 | 1,527 | 1,620 | 1,471 |
| Student Services | 3,995 | 4,062 | 4,135 | 3,493 | 3,541 | 3,808 | 3,491 | 2,894 | 2,729 | 2,785 |
| Institutional Support | 5,955 | 5,268 | 5,451 | 5,416 | 6,267 | 5,295 | 4,895 | 4,499 | 4,399 | 4,099 |
| Operation and Maintenance of Plant | 3,439 | 3,465 | 3,608 | 2,744 | 2,594 | 2,983 | 2,858 | 2,359 | 2,448 | 2,558 |
| Scholarships and Fellowships | 2,980 | 2,493 | 4,859 | 2,863 | 2,998 | 2,391 | 2,043 | 1,851 | 1,905 | 2,090 |
| Auxiliary Enterprises | 1,417 | 1,350 | 1,198 | 1,009 | 680 | 766 | 848 | 822 | 718 | 696 |
| Depreciation | 2,163 | 1,846 | 1,301 | 1,177 | 1,115 | 1,044 | 990 | 950 | 869 | 830 |
| Total Operating Expenses | <u>32,933</u> | <u>31,045</u> | <u>32,135</u> | <u>28,443</u> | <u>28,920</u> | <u>27,942</u> | <u>25,995</u> | <u>23,363</u> | <u>22,732</u> | <u>22,070</u> |
| Interest on Capital Related Debt | 826 | 847 | 477 | - | - | - | - | - | - | 28 |
| Loss on Disposal of Capital Assets | - | 397 | 251 | - | - | 683 | - | - | - | 332 |
| Debt Issuance Cost | - | - | 283 | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | - | 28 | 114 | - | - |
| Total Non-Operating Expenses | <u>826</u> | <u>1,244</u> | <u>1,011</u> | <u>-</u> | <u>-</u> | <u>683</u> | <u>28</u> | <u>114</u> | <u>-</u> | <u>360</u> |
| Total Expenses | <u>\$ 33,759</u> | <u>\$ 32,289</u> | <u>\$ 33,146</u> | <u>\$ 28,443</u> | <u>\$ 28,920</u> | <u>\$ 28,625</u> | <u>\$ 26,023</u> | <u>\$ 23,477</u> | <u>\$ 22,732</u> | <u>\$ 22,430</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Table 3 - Continued

| | For the Year Ended August 31, | | | | | | | | | |
|------------------------------------|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Instruction | 31.62% | 32.44% | 29.39% | 34.55% | 33.69% | 34.14% | 34.78% | 35.93% | 35.23% | 33.53% |
| Public Service | 0.22% | 0.05% | 0.01% | 0.01% | 0.02% | 0.05% | 0.15% | 0.11% | 0.16% | 0.09% |
| Academic Support | 6.62% | 6.41% | 5.55% | 6.71% | 6.83% | 6.52% | 6.84% | 6.50% | 7.13% | 6.56% |
| Student Services | 11.83% | 12.58% | 12.48% | 12.28% | 12.24% | 13.30% | 13.42% | 12.33% | 12.01% | 12.42% |
| Institutional Support | 17.64% | 16.32% | 16.45% | 19.04% | 21.67% | 18.50% | 18.81% | 19.16% | 19.35% | 18.27% |
| Operation and Maintenance of Plant | 10.19% | 10.73% | 10.89% | 9.65% | 8.97% | 10.42% | 10.98% | 10.05% | 10.77% | 11.40% |
| Scholarships and Fellowships | 8.83% | 7.72% | 14.66% | 10.07% | 10.37% | 8.35% | 7.85% | 7.88% | 8.38% | 9.33% |
| Auxiliary Enterprises | 4.20% | 4.18% | 3.60% | 3.55% | 2.35% | 2.68% | 3.26% | 3.50% | 3.16% | 3.10% |
| Depreciation | 6.41% | 5.72% | 3.92% | 4.14% | 3.86% | 3.65% | 3.80% | 4.05% | 3.81% | 3.70% |
| Total Operating Expenses | 97.55% | 96.15% | 96.95% | 100.00% | 100.00% | 97.61% | 99.89% | 99.51% | 100.00% | 98.40% |
| Interest on Capital Related Debt | 2.45% | 2.62% | 1.44% | - | - | - | - | - | - | 0.12% |
| Loss on Disposal of Capital Assets | - | 1.23% | 0.76% | - | - | 2.39% | - | - | - | 1.48% |
| Debt Issuance Cost | - | - | 0.85% | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | - | - | 0.11% | 0.49% | - | - |
| Total Non-Operating Expenses | 2.45% | 3.85% | 3.05% | 0.00% | 0.00% | 2.39% | 0.11% | 0.49% | 0.00% | 1.60% |
| Total Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

GALVESTON COMMUNITY COLLEGE DISTRICT
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(Unaudited)

Table 4

| Academic Year (Fall) | Registration Fee (per student) | Resident Fees per Semester Credit Hour (SCH) | | | | | General Service Fee | Cost for 12 SCH In-District | Cost for 12 SCH Out-of-District | Increase from Prior Year In-District | Increase from Prior Year Out-of-District |
|----------------------|--------------------------------|--|-------------------------|------------------|-----------------|-------------------------------------|---------------------|-----------------------------|---------------------------------|--------------------------------------|--|
| | | In-District Tuition | Out-of-District Tuition | Building Use Fee | Technology Fees | Student Activity Fees (per student) | | | | | |
| 2024 | \$ 33 | \$ 56 | \$ 24 | \$ 28 | \$ - | \$ 15 | \$ 55 | \$ 1111 | \$ 1399 | 6.93% | 5.43% |
| 2023 | 33 | 50 | 24 | 28 | - | 15 | 55 | 1039 | 1327 | 11.12% | 10.68% |
| 2022 | 30 | 45 | 22 | 25 | - | 15 | 50 | 935 | 1199 | 0.00% | 0.00% |
| 2021 | 30 | 45 | 22 | 25 | - | 15 | 50 | 935 | 1199 | 0.00% | 0.00% |
| 2020 | 30 | 45 | 22 | 25 | - | 15 | 50 | 935 | 1199 | 11.44% | 11.12% |
| 2019 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 0.00% | 0.00% |
| 2018 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 0.00% | 0.00% |
| 2017 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 0.00% | 0.00% |
| 2016 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 7.70% | 11.12% |
| 2015 | 30 | 37 | 16 | 20 | - | 15 | 50 | 779 | 971 | 0.00% | 5.20% |

| Academic Year (Fall) | Registration Fee (per student) | Non - Resident Fees per Semester Credit Hour (SCH) | | | | Building Use Fee | Technology Fees | Student Activity Fees | General Service Fee | Cost for 12 SCH Out of State | Cost for 12 SCH International | Increase from Prior Year Out of State | Increase from Prior Year International |
|----------------------|--------------------------------|--|------------------------------------|-------|------|------------------|-----------------|-----------------------|---------------------|------------------------------|-------------------------------|---------------------------------------|--|
| | | Non-Resident Tuition Out of State | Non-Resident Tuition International | | | | | | | | | | |
| 2024 | \$ 33 | \$ 147 | \$ 24 | \$ 28 | \$ - | \$ 15 | \$ 55 | \$ 2,491 | \$ 2,491 | 7.79% | 7.79% | | |
| 2023 | 33 | 132 | 24 | 28 | - | 15 | 55 | 2,311 | 2,311 | 10.10% | 10.10% | | |
| 2022 | 30 | 120 | 22 | 25 | - | 15 | 50 | 2,099 | 2,099 | 0.00% | 0.00% | | |
| 2021 | 30 | 120 | 22 | 25 | - | 15 | 50 | 2,099 | 2,099 | 0.00% | 0.00% | | |
| 2020 | 30 | 120 | 22 | 25 | - | 15 | 50 | 2,099 | 2,099 | 12.91% | 12.91% | | |
| 2019 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 0.00% | 0.00% | | |
| 2018 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 0.00% | 0.00% | | |
| 2017 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 0.00% | 0.00% | | |
| 2016 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 7.64% | 7.64% | | |
| 2015 | 30 | 100 | 100 | 20 | - | 15 | 50 | 1,727 | 1,727 | 2.86% | 2.86% | | |

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

GALVESTON COMMUNITY COLLEGE DISTRICT
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 5

| Fiscal Year | (Amounts Expressed in Thousands) | | | | Ratio of Taxable Assessed Value to Assessed Value | Direct Rate | | |
|-------------|----------------------------------|-------------|--------------------------------|------------------------------|---|------------------|-----------|--|
| | Certified Taxable Valuation | Adjustments | Assessed Valuation of Property | Maintenance & Operations (a) | | Debt Service (a) | Total (a) | |
| 2023-24 | \$ 14,188,752 | \$ 427,720 | \$ 14,616,472 | 97.07% | 0.1240 | - | 0.1240 | |
| 2022-23 | 12,199,358 | 262,033 | 12,461,391 | 97.90% | 0.1320 | - | 0.1320 | |
| 2021-22 | 10,019,296 | 481,393 | 10,500,689 | 95.42% | 0.1462 | - | 0.1462 | |
| 2020-21 | 8,558,750 | 347,729 | 8,906,479 | 96.10% | 0.1592 | - | 0.1592 | |
| 2019-20 | 8,017,532 | 243,910 | 8,261,442 | 97.05% | 0.1712 | - | 0.1712 | |
| 2018-19 | 7,494,157 | 337,879 | 7,832,036 | 95.69% | 0.1752 | - | 0.1752 | |
| 2017-18 | 7,192,912 | 403,273 | 7,596,185 | 94.69% | 0.1662 | - | 0.1662 | |
| 2016-17 | 6,673,918 | 519,168 | 7,193,086 | 92.78% | 0.1703 | - | 0.1703 | |
| 2015-16 | 5,984,833 | 532,190 | 6,517,023 | 91.83% | 0.1788 | - | 0.1788 | |
| 2014-15 | 5,300,704 | 521,565 | 5,822,269 | 91.04% | 0.1870 | - | 0.1870 | |

Source: Galveston Central Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

GALVESTON COMMUNITY COLLEGE DISTRICT
STATE APPROPRIATION PER FULL TIME STUDENT EQUIVALENT AND CONTACT HOURS
LAST TEN FISCAL YEARS
(Unaudited)

Table 6

| Fiscal Year | State Appropriation | Appropriation per FTSE | | Appropriation per Contact Hour | | | | |
|-------------|------------------------|------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|------------------------|---|
| | | FTSE (a) | State Appropriation per FTSE | Academic Contact Hours (a) | Voc/Tech Contact Hours (b) | Continuing Education Contact Hours (c) | Total Contact Hours | State Appropriation per Contact Hour |
| 2023-24 | \$ 4,871,134 | \$ 1,466 | \$ 3,323 | 542,784 | 473,184 | 32,136 | 1,048,104 | \$ 4.65 |
| 2022-23 | 4,799,136 | 1,436 | 3,342 | 534,672 | 476,224 | 34,517 | 1,045,413 | 4.59 |
| 2021-22 | 4,799,146 | 1,335 | 3,595 | 489,797 | 460,480 | 38,205 | 988,482 | 4.86 |
| 2020-21 | 4,609,371 | 1,517 | 3,038 | 551,600 | 526,256 | 38,792 | 1,116,648 | 4.13 |
| 2019-20 | 4,609,458 | 1,607 | 2,868 | 608,624 | 519,888 | 54,313 | 1,182,825 | 3.90 |
| 2018-19 | 4,086,685 | 1,607 | 2,543 | 610,827 | 521,792 | 52,962 | 1,185,581 | 3.45 |
| 2017-18 | 4,086,757 | 1,472 | 2,776 | 567,424 | 461,712 | 52,360 | 1,081,496 | 3.78 |
| 2016-17 | 3,659,631 | 1,414 | 2,588 | 580,608 | 426,064 | 28,551 | 1,035,223 | 3.54 |
| 2015-16 | 3,654,400 | 1,414 | 2,584 | 556,496 | 413,664 | 44,763 | 1,014,923 | 3.60 |
| 2014-15 | 3,759,208 | 1,412 | 2,662 | 573,491 | 389,040 | 22,975 | 985,506 | 3.81 |

Notes:

Full-Time Student Equivalent (FTSE) = Total annual semester credit hours (b) divided by 30 plus total annual continuing education contact hours (c) divided by 900.

- (a) FTSE - calculated value
- (b) Academic CH's - CBM004
- (c) Technical CH's - CBM004
- (d) Continuing Ed. CH's - CBM00C

GALVESTON COMMUNITY COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(Unaudited)

Table 7

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Fiscal Year (\$000) | | | | | | | | | |
|---|------------------|---|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| CITY-GALVESTON WARVES | Transportation | \$ 98,630 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| FERTITTA HOSPITALITY INC | Hospitality | 89,900 | 87,777 | 49,636 | 51,077 | 43,026 | 43,126 | 43,130 | 38,570 | 34,120 | 33,173 |
| CENTERPOINT ENERGY HOUSTON | Utilities | 67,006 | 64,777 | 56,395 | 52,586 | 52,088 | 80,272 | 46,451 | 46,207 | 44,882 | 47,163 |
| TEXAS INTERNATIONAL TERMINALS | Transportation | 60,488 | 60,407 | 64,580 | 56,534 | 11,997 | - | - | - | - | - |
| 2014 GALVESTON JONES DRIVE LLC | Real Estate | 48,700 | 37,882 | 37,881 | 21,984 | 14,161 | 14,061 | 13,835 | 12,893 | - | - |
| AMERICAN NATIONAL INS CO | Insurance | 38,148 | 31,848 | 24,611 | - | - | 10,992 | 11,199 | 10,539 | 10,539 | 10,534 |
| 3433 COVE VIEW BLVD LLC | Real Estate | 36,491 | 25,000 | - | - | - | - | - | - | - | - |
| CR GALVESTON PROPCO LLC | Real Estate | 33,000 | - | - | - | - | - | - | - | - | - |
| SEAWALL HOSPITALITY LLC | Hospitality | 32,695 | 55,516 | 37,243 | - | - | - | - | - | - | - |
| CW CAMPECHE OWNER LLC | Real Estate | 32,500 | - | - | - | - | - | - | - | - | - |
| GULF COPPER DRYDOCK & RIG REPAIR | Transportation | 24,989 | - | - | - | - | - | - | - | - | - |
| ISLAND HOSPITALITY INC | Hospitality | 24,322 | 20,803 | 16,477 | 16,550 | 15,160 | 15,160 | 15,201 | 13,991 | 12,782 | 12,782 |
| TPI CAMPECHE COVE LLC | Real Estate | 23,988 | 21,234 | 20,500 | 17,298 | 12,000 | 11,845 | 11,573 | 9,959 | - | - |
| RAAMCO BROADWATER LLC | Real Estate | 21,500 | 20,000 | 16,325 | - | - | - | - | - | - | - |
| TFT GALVESTON PORTFOLIO LTD | Real Estate | 20,400 | 29,866 | 17,732 | 27,688 | 18,679 | 19,343 | 18,699 | 18,501 | 12,381 | 10,340 |
| UNION PACIFIC RAILROAD CO | Railroad | 19,961 | - | 16,795 | 15,548 | 14,784 | 14,243 | - | - | - | - |
| GSMV VILLAGE BY THE SEA OWNER LLC | Real Estate | 19,786 | 23,196 | - | - | - | - | - | - | - | - |
| GULF COAST KINGTON PROPERTIES LLC | Real Estate | 19,608 | - | 14,608 | 14,624 | - | - | - | - | - | - |
| BNSF RAILWAY CO | Railroad | 18,893 | - | 15,113 | 14,762 | 13,861 | 13,277 | 11,880 | 11,704 | 11,177 | 11,162 |
| HAF HOSPITALITY TREMONT REALTY LLC | Hospitality | - | 37,697 | 19,330 | - | - | - | - | - | - | - |
| BBCRV PARTNERS LLC | Real Estate | - | 35,299 | - | - | - | - | - | - | - | - |
| CHICORY COURT I LP | Hospitality | - | 34,101 | - | - | - | - | - | - | - | - |
| 33RD STREET PROPERTIES LTD | Real Estate | - | 25,000 | - | - | - | - | - | - | - | - |
| LAKESIDE GALVESTON PARTNERS LP | Real Estate | - | 22,000 | - | - | - | 11,549 | - | - | - | - |
| CRESTMARC REDWOOD CARELTON HOLDINGS LLC | Real Estate | - | 21,436 | 15,819 | 13,868 | - | - | - | - | - | - |
| SILVERLEAF RESORTS INC | Hospitality | - | 20,722 | 20,735 | 18,202 | 17,957 | 17,993 | 17,858 | 17,711 | 18,168 | 18,788 |
| 17TH STREET PROPERTIES LLC | Real Estate | - | 19,500 | - | - | - | - | - | - | - | - |
| GALVESTON ISLAND WATER PARK LP | Hospitality | - | - | 17,946 | 17,808 | 17,243 | 17,248 | 17,293 | 17,293 | 17,055 | 16,785 |
| BEATTY STREET PROPERTIES INC | Real Estate | - | - | 17,877 | 18,977 | 20,035 | 22,453 | - | - | - | - |
| CANTOR GROUP LLC | Healthcare | - | - | 17,207 | - | - | - | - | - | - | - |
| GALVESTON TERMINALS INC | Transportation | - | - | 14,322 | 14,503 | 14,609 | 14,492 | 14,556 | 15,019 | 15,639 | 15,757 |
| EIGHTEEN SEVENTY STRAND CORP | Hospitality | - | - | - | 44,535 | 18,520 | 16,830 | 16,500 | 22,125 | 16,791 | 14,765 |
| PHI INC | Transportation | - | - | - | 16,933 | - | - | - | - | - | - |
| G&H TOWING COMPANY | Transportation | - | - | - | 16,635 | - | - | - | - | - | - |
| INTERCHEM USA INC | Oil/Gas | - | - | - | 15,181 | 13,236 | 13,269 | - | - | - | - |
| MOSAIC FERTILIZER LLC | Refinery | - | - | - | - | 28,992 | - | - | - | - | - |
| EMERALD GATHER & TRANS LLC | Oil/Gas | - | - | - | - | 13,142 | - | - | 22,477 | 22,477 | - |
| G&I VIII CLUB OF THE ISLE JV LP | Real Estate | - | - | - | - | 12,582 | 12,582 | 12,582 | - | - | - |
| WILLIE GS POST OAK INC | Hospitality | - | - | - | - | 11,984 | 18,814 | 23,927 | 30,077 | 31,377 | 31,379 |
| WALMART REALTY CO #504 | Real Estate | - | - | - | - | 11,875 | 11,875 | 12,566 | 12,500 | 12,500 | 12,600 |
| TRANSOCEAN OFFSHORE DEEPWATER | Oil/Gas | - | - | - | - | - | 10,966 | - | - | - | - |
| LAFITTES HARBOR DEVELOPMENT 11 LP | Insurance | - | - | - | - | - | - | 18,523 | - | - | - |
| RANGER OFFSHORE INC | Oil/Gas | - | - | - | - | - | - | 13,645 | - | - | - |
| AET LIGHTERING SERVICES LLC | Transportation | - | - | - | - | - | - | 12,460 | - | - | - |
| CLARK OIL TRADING COMPANY | Oil/Gas | - | - | - | - | - | - | 11,994 | - | - | - |
| CAMERON HIGHWAY OIL PIPELINE | Oil/Gas | - | - | - | - | - | - | 11,323 | - | - | - |
| AET OFFSHORE SERVICES INC | Oil/Gas | - | - | - | - | - | - | - | 14,297 | 14,843 | 15,842 |
| CHS INC | Oil/Gas | - | - | - | - | - | - | - | 13,055 | 18,648 | - |
| MP ISLAND INVESTMENTS LLC | Real Estate | - | - | - | - | - | - | - | 11,941 | 11,941 | 10,994 |
| 9550 SEAWALL BLVD LLP | Hospitality | - | - | - | - | - | - | - | 10,152 | - | - |
| GULF SULPHUR SERVICES LTD LLP | Transportation | - | - | - | - | - | - | - | 9,950 | 10,098 | 9,916 |
| HALLIBURTON ENERGY SERVICES IN | Oil/Gas | - | - | - | - | - | - | - | - | 11,368 | 13,908 |
| OLCC TEXAS LLC | Computers | - | - | - | - | - | - | - | - | 10,391 | 9,942 |
| SWS HOLDINGS-BRADY ISLAND LP | Real Estate | - | - | - | - | - | - | - | - | 9,844 | - |
| Totals | | 731,005 | 694,061 | 511,132 | 465,293 | 375,931 | 390,390 | 355,195 | 358,961 | 347,021 | 295,830 |
| Total Taxable Assessed Value | | \$ 14,188,752 | \$ 12,199,358 | \$ 10,019,296 | \$ 8,558,750 | \$ 8,017,532 | \$ 7,494,157 | \$ 7,192,912 | \$ 6,673,918 | \$ 5,984,833 | \$ 5,300,704 |

Source: Local County Appraisal District

GALVESTON COMMUNITY COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(Unaudited)

Table 7 - Continued

| Taxpayer | Type of Business | % of Taxable Assessed Value (TAV) by Fiscal Year | | | | | | | | | |
|---|------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| CITY-GALVESTON WARVES | Transportation | 0.70% | - | - | - | - | - | - | - | - | - |
| FERTITTA HOSPITALITY INC | Hospitality | 0.63% | 0.72% | 0.50% | 0.60% | 0.54% | 0.58% | 0.60% | 0.58% | 0.57% | 0.63% |
| CENTERPOINT ENERGY HOUSTON | Utilities | 0.47% | 0.53% | 0.56% | 0.61% | 0.65% | 1.07% | 0.65% | 0.69% | 0.75% | 0.89% |
| TEXAS INTERNATIONAL TERMINALS | Transportation | 0.43% | 0.50% | 0.64% | 0.66% | 0.15% | - | - | - | - | - |
| 2014 GALVESTON JONES DRIVE LLC | Real Estate | 0.34% | 0.31% | 0.38% | 0.26% | 0.18% | 0.19% | 0.19% | 0.19% | - | - |
| AMERICAN NATIONAL INS CO | Insurance | 0.27% | 0.26% | 0.25% | - | - | 0.15% | 0.16% | 0.16% | 0.18% | 0.20% |
| 3433 COVE VIEW BLVD LLC | Real Estate | 0.26% | 0.20% | - | - | - | - | - | - | - | - |
| CR GALVESTON PROPCO LLC | Real Estate | 0.23% | - | - | - | - | - | - | - | - | - |
| SEAWALL HOSPITALITY LLC | Hospitality | 0.23% | 0.46% | 0.37% | - | - | - | - | - | - | - |
| CW CAMPECHE OWNER LLC | Real Estate | 0.23% | - | - | - | - | - | - | - | - | - |
| GULF COPPER DRYDOCK & RIG REPAIR | Transportation | 0.18% | - | - | - | - | - | - | - | - | - |
| ISLAND HOSPITALITY INC | Hospitality | 0.17% | 0.17% | 0.16% | 0.19% | 0.19% | 0.20% | 0.21% | 0.21% | 0.21% | 0.24% |
| TPI CAMPECHE COVE LLC | Real Estate | 0.17% | 0.17% | 0.20% | 0.20% | 0.15% | 0.16% | 0.16% | 0.15% | - | - |
| RAAMCO BROADWATER LLC | Real Estate | 0.15% | 0.16% | 0.16% | - | - | - | - | - | - | - |
| TFT GALVESTON PORTFOLIO LTD | Real Estate | 0.14% | 0.24% | 0.18% | 0.32% | 0.23% | 0.26% | 0.26% | 0.28% | 0.21% | 0.20% |
| UNION PACIFIC RAILROAD CO | Railroad | 0.14% | - | 0.17% | 0.18% | 0.18% | 0.19% | - | - | - | - |
| GSMV VILLAGE BY THE SEA OWNER LLC | Real Estate | 0.14% | 0.19% | - | - | - | - | - | - | - | - |
| GULF COAST KINGTON PROPERTIES LLC | Real Estate | 0.14% | - | 0.15% | 0.17% | - | - | - | - | - | - |
| BNSF RAILWAY CO | Railroad | 0.13% | - | 0.15% | 0.17% | 0.17% | 0.18% | 0.17% | 0.18% | 0.19% | 0.21% |
| HAF HOSPITALITY TREMONT REALTY LLC | Hospitality | - | 0.31% | 0.19% | - | - | - | - | - | - | - |
| BBRCV PARTNERS LLC | Real Estate | - | 0.29% | - | - | - | - | - | - | - | - |
| CHICORY COURT I LP | Hospitality | - | 0.28% | - | - | - | - | - | - | - | - |
| 33RD STREET PROPERTIES LTD | Real Estate | - | 0.20% | - | - | - | - | - | - | - | - |
| LAKESIDE GALVESTON PARTNERS LP | Real Estate | - | 0.18% | - | - | - | 0.15% | - | - | - | - |
| CRESTMARC REDWOOD CARELTON HOLDINGS LLC | Real Estate | - | 0.18% | 0.16% | 0.16% | - | - | - | - | - | - |
| SILVERLEAF RESORTS INC | Hospitality | - | 0.17% | 0.21% | 0.21% | 0.22% | 0.24% | 0.25% | 0.27% | 0.30% | 0.35% |
| 17TH STREET PROPERTIES LLC | Real Estate | - | 0.16% | - | - | - | - | - | - | - | - |
| GALVESTON ISLAND WATER PARK LP | Hospitality | - | - | 0.18% | 0.21% | 0.22% | 0.23% | 0.24% | 0.26% | 0.28% | 0.32% |
| BEATTY STREET PROPERTIES INC | Real Estate | - | - | 0.18% | 0.22% | 0.25% | 0.30% | - | - | - | - |
| CANTOR GROUP LLC | Healthcare | - | - | 0.17% | - | - | - | - | - | - | - |
| GALVESTON TERMINALS INC | Transportation | - | - | 0.14% | 0.17% | 0.18% | 0.19% | 0.20% | 0.23% | 0.26% | 0.30% |
| EIGHTEEN SEVENTY STRAND CORP | Hospitality | - | - | - | 0.52% | 0.23% | 0.22% | 0.23% | 0.33% | 0.28% | 0.28% |
| PHI INC | Transportation | - | - | - | 0.20% | - | - | - | - | - | - |
| G&H TOWING COMPANY | Transportation | - | - | - | 0.19% | - | - | - | - | - | - |
| INTERCHEM USA INC | Oil/Gas | - | - | - | 0.18% | 0.17% | 0.18% | - | - | - | - |
| MOSAIC FERTILIZER LLC | Refinery | - | - | - | - | 0.36% | - | - | - | - | - |
| EMERALD GATHER & TRANS LLC | Oil/Gas | - | - | - | - | 0.16% | - | - | 0.34% | 0.38% | - |
| G&I VIII CLUB OF THE ISLE JV LP | Real Estate | - | - | - | - | 0.16% | 0.17% | 0.17% | - | - | - |
| WILLIE GS POST OAK INC | Hospitality | - | - | - | - | 0.15% | 0.25% | 0.33% | 0.45% | 0.52% | 0.59% |
| WALMART REALTY CO #504 | Real Estate | - | - | - | - | 0.15% | 0.16% | 0.17% | 0.19% | 0.21% | 0.24% |
| TRANSOCEAN OFFSHORE DEEPWATER | Oil/Gas | - | - | - | - | - | 0.15% | - | - | - | - |
| LAFITTES HARBOR DEVELOPMENT 11 LP | Insurance | - | - | - | - | - | - | 0.26% | - | - | - |
| RANGER OFFSHORE INC | Oil/Gas | - | - | - | - | - | - | 0.19% | - | - | - |
| AET LIGHTERING SERVICES LLC | Transportation | - | - | - | - | - | - | 0.17% | - | - | - |
| CLARK OIL TRADING COMPANY | Oil/Gas | - | - | - | - | - | - | 0.17% | - | - | - |
| CAMERON HIGHWAY OIL PIPELINE | Oil/Gas | - | - | - | - | - | - | 0.16% | - | - | - |
| AET OFFSHORE SERVICES INC | Oil/Gas | - | - | - | - | - | - | - | 0.21% | 0.25% | 0.30% |
| CHS INC | Oil/Gas | - | - | - | - | - | - | - | 0.20% | 0.31% | - |
| MP ISLAND INVESTMENTS LLC | Real Estate | - | - | - | - | - | - | - | 0.18% | 0.20% | 0.21% |
| 9550 SEAWALL BLVD LLP | Hospitality | - | - | - | - | - | - | - | 0.15% | - | - |
| GULF SULPHUR SERVICES LTD LLP | Transportation | - | - | - | - | - | - | - | 0.15% | 0.17% | 0.19% |
| HALLIBURTON ENERGY SERVICES IN | Oil/Gas | - | - | - | - | - | - | - | - | 0.19% | 0.26% |
| OLCC TEXAS LLC | Computers | - | - | - | - | - | - | - | - | 0.17% | 0.19% |
| SWS HOLDINGS-BRADY ISLAND LP | Real Estate | - | - | - | - | - | - | - | - | 0.16% | - |
| Totals | | 5.15% | 5.69% | 5.10% | 5.44% | 4.69% | 5.21% | 4.94% | 5.38% | 5.80% | 5.58% |

Source: Local County Appraisal District
* Tax Year = Fiscal Year -1

GALVESTON COMMUNITY COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(Unaudited)
(Amounts Expressed in Thousands)

Table 8

| Fiscal Year Ended August 31 | Levy (a) | Collections - Year of Levy (b) | Percentage | Current Collections of Prior Levies (b) | Total Collections | Percentage of Current and Prior Levies |
|-----------------------------------|-------------|--------------------------------------|------------|--|----------------------|--|
| 2024 | \$ 18,133 | \$ 17,693 | 97.57% | \$ 307 | \$ 18,000 | 99.27% |
| 2023 | 16,455 | 15,997 | 97.22% | 347 | 16,344 | 99.33% |
| 2022 | 15,357 | 14,975 | 97.51% | 253 | 15,228 | 99.16% |
| 2021 | 14,183 | 13,744 | 96.90% | 380 | 14,124 | 99.58% |
| 2020 | 14,149 | 13,771 | 97.33% | 328 | 14,099 | 99.65% |
| 2019 | 13,728 | 13,395 | 97.57% | 314 | 13,709 | 99.86% |
| 2018 | 12,628 | 12,330 | 97.64% | 277 | 12,607 | 99.83% |
| 2017 | 12,253 | 11,977 | 97.75% | 227 | 12,204 | 99.60% |
| 2016 | 11,656 | 11,409 | 97.89% | 251 | 11,660 | 100.03% |
| 2015 | 10,894 | 10,648 | 97.74% | 213 | 10,861 | 99.70% |

Source: Local Tax Assessor/Collector and District records.

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

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

GALVESTON COMMUNITY COLLEGE DISTRICT
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

| | For the Year Ended August 31 (Amounts Expressed in Thousands) | | | | | | | | | |
|--|---|-----------|-----------|------|------|------|------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Revenue Bonds (excluding unamortized bond premium) | \$ 27,975 | \$ 28,715 | \$ 29,425 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Outstanding Debt Ratios: | | | | | | | | | | |
| Per Capita | \$ 77.33 | \$ 82.40 | \$ 82.87 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Per full time student equivalent | \$ 19,083 | \$ 20,491 | \$ 22,041 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| As a Percentage of Taxable Assessed Value | 0.20% | 0.24% | 0.28% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Notes: i) Galveston College has no general obligation bonds.

ii) Ratios calculated using population and taxable assessed value from respective years. Debt per student calculated using full-time-equivalent enrollment.

GALVESTON COMMUNITY COLLEGE DISTRICT
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 10

| Fiscal Year Ended August 31 | Pledged Revenues (\$000 omitted) | | | | | | Debt Service Requirements (\$000 omitted) | | | |
|--------------------------------|----------------------------------|-------------|----------------------|-----------------------------|--------------------|----------|---|----------|----------|-------------------|
| | Tuition | All Fees | Auxillary Revenue | Other Pledged Revenue | Interest Income | Total | Principal | Interest | Total | Coverage Ratio |
| 2024 | \$ 664 | \$ 3,140 | \$ 1,094 | \$ - | \$ 1,742 | \$ 6,640 | \$ 740 | \$ 1,127 | \$ 1,867 | 3.56 |
| 2023 | 642 | 3,024 | 1,072 | - | 1,314 | 6,052 | 710 | 1,155 | 1,865 | 3.25 |
| 2022 | 531 | 2,646 | 951 | - | 162 | 4,290 | - | 212 | 212 | 20.24 |
| 2021 | - | - | - | - | - | - | - | - | - | N/A |
| 2020 | - | - | - | - | - | - | - | - | - | N/A |
| 2019 | - | - | - | - | - | - | - | - | - | N/A |
| 2018 | - | - | - | - | - | - | - | - | - | N/A |
| 2017 | - | - | - | - | - | - | - | - | - | N/A |
| 2016 | - | - | - | - | - | - | - | - | - | N/A |
| 2015 | 1,944 | 2,171 | 442 | - | 19 | 4,576 | 690 | 28 | 718 | 6.37 |

Note: Principal and interest amounts represents scheduled cash payments for respective years.

GALVESTON COMMUNITY COLLEGE DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT
 LAST TEN CALENDAR YEARS
 (Unaudited)

Table 11

| Calendar Year | Galveston County Population | Galveston County Personal Income (in millions of dollars) | Galveston County Personal Income Per Capita | Galveston County Unemployment Rate |
|------------------|-----------------------------------|---|---|--|
| 2023 | 361,744 * | *** | *** | 4.3% |
| 2022 | 357,117 * | \$ 21,872 ** | 61,246 ** | 4.4% |
| 2021 | 355,062 | 21,329 | 60,071 | 6.7% |
| 2020 | 345,089 | 19,995 | 57,941 | 8.7% |
| 2019 | 342,139 | 18,561 | 54,250 | 4.0% |
| 2018 | 337,890 | 17,498 | 51,785 | 4.6% |
| 2017 | 335,036 | 16,443 | 49,079 | 5.2% |
| 2016 | 329,431 | 15,683 | 47,605 | 5.8% |
| 2015 | 322,255 | 15,464 | 47,991 | 5.0% |
| 2014 | 314,198 | 14,741 | 46,917 | 5.5% |

Sources:

- County Population -- U.S. Bureau of Economic Analysis -- BEARFACTS Report
- Personal Income -- U.S. Bureau of Economic Analysis -- BEARFACTS Report
- Annual Unemployment Rate -- Texas Workforce Commission - Labor Market & Career Information -- LAUS Report
- * 2023 County Population estimate -- U.S. Census Bureau [Data & Maps - Data Tool & Apps - QuickFacts] (Note: 2023 -- as of July 1, 2023)
- ** Personal Income -- U.S. Bureau of Economic Analysis [BEA - Interactive Data Tools - Regional Data - GDP and Personal Income - CAINC1-Personal Income Summary] (Note: 2022 -- as of Nov. 16, 2023)
- *** Information not available at this time

GALVESTON COMMUNITY COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST FIVE YEARS
(Unaudited)

Table 12

| Employer | 2024 | | 2023 | | 2022 | | 2021 | | 2020 | |
|---|------|-------|--------|---------|--------|---------|--------|---------|--------|---------|
| University of Texas Medical Branch | *** | *** | 9,627 | 49.93% | 8,937 | 50.79% | 8,948 | 49.88% | 8,324 | 47.74% |
| Landry's Inc. | *** | *** | 1,980 | 10.27% | 1,930 | 10.97% | 1,930 | 10.76% | 1,930 | 11.07% |
| Galveston I. S. D. | *** | *** | 1,218 | 6.32% | 1,358 | 7.72% | 1,251 | 6.98% | 1,069 | 6.13% |
| Schlitterbahn <i>(during peak tourist season)</i> | *** | *** | 1,035 | 5.37% | 1,100 | 6.25% | 700 | 3.90% | 500 | 2.87% |
| Galveston County (on Island only) | *** | *** | 991 | 5.14% | 855 | 4.86% | 888 | 4.95% | 1,247 | 7.15% |
| American National Insurance Co. (ANICO) | *** | *** | 934 | 4.84% | 934 | 5.31% | 900 | 5.02% | 950 | 5.45% |
| Moody Gardens <i>(during peak tourist season)</i> | *** | *** | 883 | 4.58% | 605 | 3.44% | 1,000 | 5.58% | 1,034 | 5.93% |
| City of Galveston | *** | *** | 812 | 4.21% | 804 | 4.57% | 803 | 4.48% | 868 | 4.98% |
| Texas A&M – Galveston | *** | *** | 713 | 3.70% | 696 | 3.96% | 319 | 1.78% | 319 | 1.83% |
| U.S. Army Corps of Engineers (USACOE) | *** | *** | 415 | 2.15% | | | | | | |
| Shriners Children's Texas | *** | *** | 362 | 1.88% | 377 | 2.13% | | | | |
| Wal-Mart | *** | *** | 310 | 1.61% | | | 360 | 2.01% | 360 | 2.06% |
| I. L. A. (Local-20, 1665, 1504-8, 1443) | *** | *** | | | | | 500 | 2.79% | 500 | 2.87% |
| Mitchell Historic Properties | *** | *** | | | | | 335 | 1.87% | 335 | 1.92% |
| Total | - | 0.00% | 19,280 | 100.00% | 17,596 | 100.00% | 17,934 | 100.00% | 17,436 | 100.00% |

*** Information not available at this time

GALVESTON COMMUNITY COLLEGE DISTRICT
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Table 13

| | Fiscal Year | | | | | | | | | |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Faculty: | | | | | | | | | | |
| Full-Time | 58 | 61 | 58 | 55 | 62 | 60 | 59 | 56 | 56 | 56 |
| Part-Time | 60 | 55 | 49 | 43 | 50 | 47 | 55 | 42 | 41 | 40 |
| Total | <u>118</u> | <u>116</u> | <u>107</u> | <u>98</u> | <u>112</u> | <u>107</u> | <u>114</u> | <u>98</u> | <u>97</u> | <u>96</u> |
| Percent: | | | | | | | | | | |
| Full-Time | 49.2% | 56.1% | 54.2% | 56.1% | 55.4% | 56.1% | 51.8% | 57.1% | 57.7% | 58.3% |
| Part-Time | 50.8% | 43.9% | 45.8% | 43.9% | 44.6% | 43.9% | 48.2% | 42.9% | 42.3% | 41.7% |
| Staff and Administrators: | | | | | | | | | | |
| Full-Time | 111 | 106 | 106 | 101 | 109 | 109 | 101 | 100 | 102 | 99 |
| Part-Time | 88 | 59 | 58 | 54 | 46 | 64 | 52 | 56 | 53 | 47 |
| Total | <u>199</u> | <u>165</u> | <u>164</u> | <u>155</u> | <u>155</u> | <u>173</u> | <u>153</u> | <u>156</u> | <u>155</u> | <u>146</u> |
| Percent: | | | | | | | | | | |
| Full-Time | 55.8% | 64.2% | 64.6% | 65.2% | 70.3% | 63.0% | 66.0% | 64.1% | 65.8% | 67.8% |
| Part-Time | 44.2% | 35.8% | 35.4% | 34.8% | 29.7% | 37.0% | 34.0% | 35.9% | 34.2% | 32.2% |
| FTSE per Full-time Faculty | 23 | 22 | 23 | 28 | 26 | 27 | 25 | 25 | 25 | 25 |
| FTSE per Full-Time Staff Member | 12 | 13 | 13 | 15 | 15 | 15 | 15 | 14 | 14 | 14 |
| Average Annual Faculty Staff Equated to 9 Month Contract | \$ 70,961 | \$ 71,177 | \$ 65,473 | \$ 66,320 | \$ 65,384 | \$ 70,523 | \$ 77,418 | \$ 74,786 | \$ 69,278 | \$ 64,486 |

GALVESTON COMMUNITY COLLEGE DISTRICT
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(Unaudited)

Table 14

| | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Student Classification | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 1,385 | 65.36% | 1,214 | 59.92% | 1,055 | 56.42% | 1,268 | 61.55% | 1,484 | 64.35% | 1,601 | 66.08% | 1,404 | 63.91% | 1,436 | 65.27% | 1,275 | 61.56% | 1,323 | 64.60% |
| 31-60 hours | 474 | 22.37% | 484 | 23.89% | 512 | 27.38% | 479 | 23.25% | 477 | 20.69% | 489 | 20.18% | 455 | 20.71% | 451 | 20.50% | 509 | 24.58% | 420 | 20.51% |
| > 60 hours | 162 | 7.65% | 175 | 8.64% | 107 | 5.72% | 143 | 6.94% | 156 | 6.76% | 141 | 5.82% | 138 | 6.28% | 101 | 4.59% | 95 | 4.59% | 103 | 5.03% |
| Unclassified | 98 | 4.62% | 153 | 7.55% | 196 | 10.48% | 170 | 8.25% | 189 | 8.20% | 192 | 7.92% | 200 | 9.10% | 212 | 9.64% | 192 | 9.27% | 202 | 9.86% |
| Total | 2,119 | 100.00% | 2,026 | 100.00% | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% |

| | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|----------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Semester Hour Load | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 | 30 | 1.42% | 8 | 0.39% | 14 | 0.75% | 5 | 0.24% | 11 | 0.48% | 11 | 0.45% | 12 | 0.55% | 19 | 0.86% | 9 | 0.43% | 17 | 0.83% |
| 3-5 semester hours | 453 | 21.38% | 407 | 20.09% | 364 | 19.47% | 440 | 21.36% | 557 | 24.15% | 609 | 25.13% | 572 | 26.04% | 584 | 26.55% | 499 | 24.09% | 483 | 23.58% |
| 6-8 Semester hours | 542 | 25.58% | 584 | 28.83% | 472 | 25.24% | 532 | 25.83% | 556 | 24.11% | 631 | 26.04% | 671 | 30.54% | 672 | 30.55% | 678 | 32.74% | 611 | 29.83% |
| 9-11 semester hours | 391 | 18.45% | 371 | 18.31% | 359 | 19.20% | 403 | 19.56% | 451 | 19.56% | 462 | 19.07% | 358 | 16.29% | 360 | 16.36% | 381 | 18.40% | 398 | 19.43% |
| 12-14 semester hours | 456 | 21.52% | 425 | 20.98% | 446 | 23.85% | 435 | 21.12% | 482 | 20.90% | 451 | 18.61% | 379 | 17.25% | 383 | 17.41% | 332 | 16.03% | 352 | 17.19% |
| 15-17 semester hours | 216 | 10.19% | 204 | 10.07% | 198 | 10.59% | 225 | 10.92% | 233 | 10.10% | 232 | 9.57% | 197 | 8.97% | 173 | 7.86% | 163 | 7.87% | 181 | 8.84% |
| 18 & over | 31 | 1.46% | 27 | 1.33% | 17 | 0.91% | 20 | 0.97% | 16 | 0.69% | 27 | 1.11% | 8 | 0.36% | 9 | 0.41% | 9 | 0.43% | 6 | 0.29% |
| Total | 2,119 | 100.00% | 2,026 | 100.00% | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% |

| | | | | | | | | | | | | | | | | | | | | |
|---------------------|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|
| Average Course Load | 8.7 | | 8.7 | | 8.9 | | 8.8 | | 8.5 | | 8.9 | | 8.6 | | 8.5 | | 8.5 | | 8.7 | |
|---------------------|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|--|

| | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2016 | | Fall 2014 | |
|----------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Tuition Status | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Texas Resident (in-District) | 1,180 | 55.69% | 1,135 | 56.02% | 1,036 | 55.40% | 1,143 | 55.49% | 1,255 | 54.42% | 1,321 | 54.52% | 1,166 | 53.07% | 1,230 | 55.91% | 1,139 | 55.00% | 1,068 | 52.15% |
| Texas Resident (out-of-District) | 792 | 37.38% | 766 | 37.81% | 722 | 38.61% | 783 | 38.01% | 898 | 38.94% | 942 | 38.88% | 890 | 40.51% | 823 | 37.41% | 816 | 39.40% | 873 | 42.63% |
| Non-Resident Tuition | 80 | 3.78% | 69 | 3.41% | 78 | 4.17% | 89 | 4.32% | 92 | 3.99% | 117 | 4.83% | 98 | 4.46% | 91 | 4.14% | 83 | 4.01% | 77 | 3.76% |
| Tuition Exemption/Wavier | 67 | 3.16% | 56 | 2.76% | 34 | 1.82% | 45 | 2.18% | 61 | 2.65% | 43 | 1.77% | 43 | 1.96% | 56 | 2.55% | 33 | 1.59% | 30 | 1.46% |
| Total | 2,119 | 100.00% | 2,026 | 100.00% | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% |

Source:

Data from THECB CBM001 certified reports, does not include flex entry

GALVESTON COMMUNITY COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS
(Unaudited)

Table 15

| | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|--------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Gender | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Female | 1,405 | 66.30% | 1,337 | 65.99% | 1,219 | 65.19% | 1,298 | 63.01% | 1,415 | 61.36% | 1,494 | 61.66% | 1,341 | 61.04% | 1,281 | 58.23% | 1,274 | 61.52% | 1,255 | 61.28% |
| Male | 714 | 33.70% | 689 | 34.01% | 651 | 34.81% | 762 | 36.99% | 891 | 38.64% | 929 | 38.34% | 856 | 38.96% | 919 | 41.77% | 797 | 38.48% | 793 | 38.72% |
| Total | 2,119 | 100.00% | 2,026 | 100.00% | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% |

| | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|----------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Ethnic Origin | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 627 | 29.59% | 647 | 31.93% | 652 | 34.87% | 723 | 35.10% | 845 | 36.64% | 894 | 36.90% | 855 | 38.92% | 925 | 42.05% | 878 | 42.39% | 915 | 44.68% |
| Hispanic | 912 | 43.04% | 846 | 41.76% | 771 | 41.23% | 860 | 41.75% | 933 | 40.46% | 961 | 39.66% | 834 | 37.96% | 822 | 37.36% | 771 | 37.23% | 668 | 32.62% |
| African American | 358 | 16.89% | 343 | 16.93% | 308 | 16.47% | 315 | 15.29% | 337 | 14.61% | 363 | 14.98% | 342 | 15.57% | 314 | 14.27% | 266 | 12.84% | 313 | 15.28% |
| Asian | 43 | 2.03% | 52 | 2.57% | 60 | 3.21% | 65 | 3.16% | 73 | 3.17% | 88 | 3.63% | 61 | 2.78% | 52 | 2.36% | 60 | 2.90% | 56 | 2.73% |
| International | 7 | 0.33% | 9 | 0.44% | 11 | 0.59% | 10 | 0.49% | 15 | 0.65% | 20 | 0.83% | 22 | 1.00% | 23 | 1.05% | 25 | 1.21% | 18 | 0.88% |
| Native American | 13 | 0.61% | 9 | 0.44% | 7 | 0.37% | 10 | 0.49% | 6 | 0.26% | 8 | 0.33% | 7 | 0.32% | 8 | 0.36% | 10 | 0.48% | 8 | 0.39% |
| Multi-racial | 63 | 2.97% | 40 | 1.97% | 26 | 1.39% | 35 | 1.70% | 43 | 1.86% | 42 | 1.73% | 22 | 1.00% | 10 | 0.45% | 8 | 0.39% | 12 | 0.59% |
| Native Hawaiian/Pacific Islander | 3 | 0.14% | 5 | 0.25% | | 0.00% | 5 | 0.24% | 5 | 0.22% | 3 | 0.12% | 4 | 0.18% | | 0.00% | - | 0.00% | - | 0.00% |
| Unknown/Not Reported | 93 | 4.39% | 75 | 3.70% | 35 | 1.87% | 37 | 1.80% | 49 | 2.12% | 44 | 1.82% | 50 | 2.28% | 46 | 2.09% | 53 | 2.56% | 58 | 2.83% |
| Total | 2,119 | 100.00% | 2,026 | 100.00% | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% |

| | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|-----------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Age | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 514 | 24.26% | 455 | 22.46% | 319 | 17.06% | 427 | 20.73% | 556 | 24.11% | 589 | 24.31% | 391 | 17.80% | 467 | 21.23% | 316 | 15.26% | 283 | 13.82% |
| 18 - 21 | 745 | 35.16% | 695 | 34.30% | 675 | 36.10% | 707 | 34.32% | 769 | 33.35% | 738 | 30.46% | 745 | 33.91% | 698 | 31.73% | 705 | 34.04% | 674 | 32.91% |
| 22 - 24 | 237 | 11.18% | 227 | 11.20% | 223 | 11.93% | 295 | 14.32% | 275 | 11.93% | 295 | 12.17% | 267 | 12.15% | 294 | 13.36% | 288 | 13.91% | 303 | 14.79% |
| 25 - 35 | 374 | 17.65% | 400 | 19.74% | 416 | 22.25% | 391 | 18.98% | 454 | 19.69% | 531 | 21.91% | 522 | 23.76% | 488 | 22.18% | 531 | 25.64% | 506 | 24.71% |
| 36 - 50 | 204 | 9.63% | 209 | 10.32% | 191 | 10.21% | 172 | 8.35% | 204 | 8.85% | 216 | 8.91% | 214 | 9.74% | 193 | 8.77% | 176 | 8.50% | 219 | 10.69% |
| 51 & over | 45 | 2.12% | 40 | 1.97% | 46 | 2.46% | 68 | 3.30% | 48 | 2.08% | 54 | 2.23% | 58 | 2.64% | 60 | 2.73% | 55 | 2.66% | 63 | 3.08% |
| Total | 2,119 | 100.00% | 2,026 | 100.00% | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% |

| | | | | | | | | | | | | | | | | | | | | |
|-------------|----|--|----|--|----|--|----|--|----|--|----|--|----|--|----|--|----|--|----|--|
| Average Age | 24 | | 24 | | 25 | | 24 | | 24 | | 24 | | 25 | | 25 | | 25 | | 25 | |
|-------------|----|--|----|--|----|--|----|--|----|--|----|--|----|--|----|--|----|--|----|--|

Source:
Data from THECB CBM001 certified reports

GALVESTON COMMUNITY COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
2022-2023 STUDENTS AS OF FALL 2023
(Includes Only Public Senior Universities in Texas)

Table 16

| | Transfer Student Count ACADEMIC | Transfer Student Count TECHNICAL | Transfer Student Count CEU | Total of All Transfer Students | % of All Transfer Students |
|---|---------------------------------------|--|----------------------------------|--------------------------------------|----------------------------------|
| Lamar University | 5 | | | 5 | 1.91% |
| Midwestern State University | 1 | | | 1 | 0.38% |
| Prairie View A&M University | 2 | | | 2 | 0.76% |
| Sam Houston State University | 12 | | | 12 | 4.58% |
| Stephen F. Austin State University | 2 | | | 2 | 0.76% |
| Texas A&M University | 31 | | | 31 | 11.83% |
| Texas A&M University - Corpus Christi | 1 | | | 1 | 0.38% |
| Texas A&M University at Galveston | 49 | 2 | | 51 | 19.47% |
| Texas Southern University | 2 | | | 2 | 0.76% |
| Texas State University | 22 | 1 | | 23 | 8.78% |
| Texas Tech University | 4 | | | 4 | 1.53% |
| Texas Woman's University | | 1 | | 1 | 0.38% |
| University of Houston | 22 | 1 | | 23 | 8.78% |
| University of Houston - Clear Lake | 45 | 1 | | 46 | 17.56% |
| University of Houston - Downtown | 4 | | | 4 | 1.53% |
| University of Houston - Victoria | 1 | | | 1 | 0.38% |
| University of North Texas | 6 | | | 6 | 2.29% |
| University of Texas - Rio Grande Valley | 1 | | | 1 | 0.38% |
| University of Texas at Arlington | 2 | | | 2 | 0.76% |
| University of Texas at Austin | 13 | | | 13 | 4.96% |
| University of Texas at San Antonio | 5 | | | 5 | 1.91% |
| University of Texas M.D. Anderson Cancer Center | | 2 | | 2 | 0.76% |
| University of Texas Medical Branch at Galveston | 14 | 9 | | 23 | 8.78% |
| University of Texas Permian Basin | | 1 | | 1 | 0.38% |
| Totals | 244 | 18 | 0 | 262 | 100.00% |

Source:

Data from THECB Automated Student and Adult Learner Follow-Up System - Students Pursuing Additional Education by Institution

<http://www.txhighereddata.org/reports/performance/ctcasalf/>

GALVESTON COMMUNITY COLLEGE DISTRICT
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Table 17

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Academic buildings | 8 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Square footage (in thousands) | 365 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| Libraries | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Number of volumes (in thousands) | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 |
| Administrative and support buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage (in thousands) | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| Apartments | 13 | 12 | 12 | 12 | 12 | 8 | 5 | 5 | 5 | 5 |
| Square footage (in thousands) | 43 | 58 | 58 | 58 | 34 | 10 | 14 | 14 | 14 | 14 |
| Number of beds | 126 | 113 | 113 | 113 | 113 | 51 | 48 | 48 | 48 | 48 |
| Dining Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Average daily customers | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Athletic Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage (in thousands) | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fitness Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Plant Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Light Trucks/Vans | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 |
| Buses | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 3 |